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TAX CONTROL PERFORMANCE BETWEEN EFFECTIVE ADMINISTRATIVE CAPACITIES AND A FAVORABLE INSTITUTIONAL ENVIRONMENT

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ABSTRACT

This article examines the effectiveness of tax control in Morocco, one of Africa's leading emerging economies, by analyzing the interaction between administrative capacities and the institutional environment in which the Tax Administration operates. The study adopts a legal and economic perspective to assess how legal frameworks, governance quality, and administrative resources jointly influence tax collection outcomes. Using a descriptive and analytical approach based on legal and institutional analysis, the study assesses the role of tax control in strengthening compliance with tax obligations while ensuring fairness among taxpayers. It highlights the challenges faced by Tax Administration, particularly in terms of administrative capacities, the legal framework, and the broader economic and institutional environment. The results suggest that the effectiveness of tax control depends not only on the availability of financial, human, and technical resources, but also on the quality of governance, transparency, and the institutional environment in which the tax administration operates. The study concludes that a balanced and well-designed tax control system can significantly contribute to improving tax efficiency, while promoting tax fairness and strengthening trust between taxpayers and the Tax Administration.

KEYWORDS: Tax Control, Tax Administration, Institutional Environment, Tax Compliance, Administrative Capacities, Tax Equity.

1. INTRODUCTION

Tax control is a fundamental tool of the Tax Administration, aimed at ensuring compliance with tax obligations and preserving public revenue (Elhilali,2025).

It is in this context that this research takes place, focusing on tax control in Morocco, one of the main emerging economies in Africa. Following its tax reform in the mid-1980s, Morocco adopted a self-assessment system, demonstrating its commitment to a tax approach based on the free and informed consent of taxpayers regarding their taxes (Bensouda, 2004).

From then on, taxpayers determine the amount of their contribution to public expenses by declaring their turnover, income, or taxable profit and spontaneously paying the corresponding tax (Elhilali,2025). This declaration, made under their responsibility, is presumed accurate unless proven otherwise. The fundamental role of tax control in correcting omissions, errors, and deficiencies made by taxpayers is therefore clear. Tax control thus becomes an essential corollary to the self-assessment system (Bensouda, 2004).

More fundamentally, and beyond simply correcting tax rule violations, the tax control's role in deterring and prosecuting fraud significantly contributes to promoting tax compliance (Beltrame,1995) and achieving tax fairness (Akesbi,1993).

Given this importance, it was necessary to equip the Tax Administration with the prerogatives to enable it to carry out this mission effectively (Ngaosyvathn,2004). However, the powers granted to the tax administration must necessarily be accompanied by guarantees for taxpayers, both with regard to the actions of this administration and in terms of appeals against decisions they deem unfounded. These appeals aim to restore tax fairness and balance the relationship between the administration and taxpayers (Elhilali,2022).

Furthermore, the tax administration, entrusted with the mission of conducting controls, is subject to the same requirement of efficiency as all entities responsible for implementing public policies (Bouvier, 2006). However, the initial observation reveals the ineffectiveness of tax controls. Therefore, to make it more effective, several factors must be combined, including: strengthening tax compliance, improving the legislative framework that defines it, developing the necessary tools to carry out this mission (Barilari,1987), and increasing the number of tax administration agents who perform this task. These agents, responsible for effective "tax marketing," are the guarantors of a modern image of the tax administration (Ngaosyvathn,2004).

In other words, effective and fair tax controls require, on the one hand, strengthening all the resources (Beltrame & Mehl, 2001) of the tax administration (human, technical, etc.) and, on the other hand, taxpayers' acceptance (Martinez, 1980) of the concept of tax controls through the guarantee of their rights throughout the control process.

In this sense, for tax control to be effective and efficient, and given the constraints of the human and material resources needed to optimally cover the tax population, it is imperative to conduct a rational approach to tax controls while safeguarding taxpayers' rights and guarantees (Elhilali,2025). This approach should be built around the following axes: on the one hand, the improvement of the means of control, on the other hand, the development of a favourable operating environment.

2. METHODOLOGY

Regarding the methodology, in addition to the descriptive and analytical approach mentioned previously, and in order to explain the role not only of tax control mechanisms but also of their institutional environment, consulting diverse documentation and conducting interviews with tax controllers and taxpayers—those supposedly subject to control—proved extremely useful.

Indeed, discussions with these controllers were very valuable as they revealed the practical dimension of the system. This dimension served as the basis for the theoretical section, developed from the collected documentation (legal texts, court decisions, and legal commentaries). It is therefore relevant to begin with the accounts of those involved in their concrete activities and the taxpayers' opinions on the impact of the controllers they underwent.

Of course, the aim is not to take the collected comments at face value, idealizing and validating them without subjecting them to constructive criticism. Indeed, listening to tax officials should help to place their image within its codified and objective context. However, listening to taxpayers should allow us to distinguish their statements from the reality of their behaviour towards the tax authorities.

Entrusted with a strategic mission of financing the state budget, the tax authorities must develop all the necessary tools and techniques to make tax control more effective.

The aim of this research is not to define a tax control model for this administration, but rather to present tools and means of improving its effectiveness, after having identified the shortcomings that hinder its performance.

3. IMPROVEMENT OF THE MEANS OF TAX CONTROL

Improving the technical means of tax controlling and strengthening human and material resources will certainly lead to improved tax control management and tax collection, insofar as there would be an increase in tax revenues.

3.1. Improvement Of the Technical Means of Tax Control

The effectiveness of tax control requires, first and foremost, the improvement of the technical resources allocated to it. Thus, it is desirable to rationalize the selection of companies to be controlled, to assist the controller not only through the cross-checking unit, but also to provide them with useful documents and studies that offer help and support to carry out their mission (sectoral and monographic studies), to create a database that would facilitate access to information on taxpayers, and finally to revise the procedures and deadlines for tax appeals.

3.1.1. Rationalization Of the Selection of Companies to Control

The selection of companies to be controlled must be based on rational criteria and relevant studies to achieve significant tax adjustments. Thus, a distinction should be made between companies that voluntarily comply with their tax obligations and those that do not.

In other words, rationalization the files to be controlled should lead to a distinction between companies that declare their profits and pay their taxes, and companies that exploit loopholes in tax law to evade tax payments.

Rationalizing the selection of companies to be controlled would allow for a reallocation of most tax control resources toward companies presenting the greatest risk and avoid burdensome controls of "compliant" companies.

In our opinion, this rationalization should begin with the analysis of data from files already controlled, to establish comparisons where appropriate. Similarly, rationalization the selection of companies to be controlled should be accompanied by improved case selection methods. For this purpose, using a quality assurance approach based on an analysis of the individual tax risk presented by each company and monitoring this risk is crucial.

This risk is assessed in terms of lost revenue for the tax authorities. It can be analysed, using IT tools, on two levels:

firstly, at the level of the company's compliance with its reporting obligations. The aim is therefore to ensure a link between tax controls and tax collection. Analyzing this risk makes it possible to penalize non-compliant behaviour by enabling effective monitoring of defaulting companies.

secondly, at the level of its financial situation, using a financial approach focused on calculating ratios could be beneficial. This method has the advantage of allowing not only an assessment of a company's financial structure and management performance at a given point in time, but also meaningful comparisons between companies in the same industry, revealing general trends and real or suspected tax irregularities.

The number of these ratios should be reduced, and only those truly relevant for detecting anomalies in a company's tax situation should be considered. This will make the process more efficient by simplifying the selection process for companies to be controlled.

As an illustration, one can cite certain ratios used by the French General Directorate of Taxes to uncover tax irregularities, and consequently, to direct investigations towards the most interesting and profitable companies from a tax control perspective (COLIN, 1979).

Using risk analysis to rationalization the companies controlled allows us to achieve the goal of a controlling authority, which is not to penalize for the sake of penalizing, but to move companies from the category of non-compliant companies to that of compliant companies. A company's objective interest lies in remaining in the category deemed risk-free and ceasing to be in the high-risk category.

Finally, rationalization the selection of companies to be controlled should involve reducing the interval between controls so that companies can be controlled regularly.

3.1.2. Creation Of a Sectoral Studies and Monographs Department

Creating a department responsible for conducting sectoral studies and producing monographs for each type of activity would provide controllers with the necessary tools to facilitate their work. Indeed, the controller’s task is delicate, requiring both time for information gathering and investigation to uncover sources of fraud, and effort to make sound adjustments without harming either the public treasury or the taxpayers being controlled.

This Service will allow the controller to gain not only a greater understanding of the sector of activity under review, but also a precise picture of the activities of the company being controlled: its problems, its market, its customers and suppliers, its manufacturing processes, the raw materials used, the products or articles manufactured, production waste rates, and so on.

It will also allow the controller to establish gross margin rates by sector of activity. This will facilitate comparisons based on real data for evaluating companies. This information is invaluable to the controller because it puts them in a position of strength vis-à-vis the company.

This Service could also allow the controller to access statistics on the number of controls conducted during a year and the total amount of tax adjustments made. This would provide insight into which companies are most likely to be trying to evade taxes.

This information is invaluable to the controllers because it allows them to be in a position of strength vis-à-vis the taxpayers; conversely, its absence results in enormous losses of tax revenue for the State.

3.1.3. Creation Of a Database

The collection and processing of information are crucial elements in the fight against tax fraud. This objective can be achieved by increasing the computerization of tax services and ensuring their connection with the central tax office, so that all information relating to a business can be easily retrieved and used for tax collection purposes.

This computerization should primarily focus on cross-checking services, which play a leading role in providing tax administration services with the necessary information across the country. This service must be linked to all regional sub-directorates to obtain information, consolidate it, and transmit new cross-checks in record time.

The usefulness of these cross-checks for tax controllers is undeniable. Controllers can make significant adjustments if they can obtain this type of cross-check on taxpayers' purchases and sales or on the origin of their income. Indeed, the major difficulty faced by the controller relates to the taxpayer's concealment of their purchases or sales. Therefore, once this point is identified, the controller’s work becomes easier and can be completed in record time, thus ensuring a high turnover of cases to be controlled.

To effectively collect and disseminate the information received to the various requesting departments, the Tax Administration sought to centralize the collected data by creating a research and cross-checking unit, a central entity for intelligence gathering, housed in a national tax registry in Casablanca.

Furthermore, to increase the efficiency of this service, a temporary solution could be implemented: requiring companies, wholesalers, and semi-wholesalers to provide the General Directorate of Taxes each month with a detailed statement of wholesale sales, including the customers who made these purchases, invoice numbers, and payment methods.

3.1.4. Review Of Tax Appeal Procedures and Deadlines

Tax controls generally result in adjustments that the company must pay to the public treasury, and on the basis of which surcharges and late payment penalties are calculated. To safeguard the interests of businesses and protect them from tax abuse, the law established appeal procedures before the Local Tax Commission and the National Tax Appeals Commission, and ultimately before the courts. However, these procedures are lengthy and can last for years.

This situation has negative effects on:

- State coffers, because once the procedure is completed, the money reimbursed by the company can be devalued due to inflation, even after penalties and late payment charges are applied;
- The tax controller, because over time, they forget the details of the case being controlled and are responsible for defending it before the commissions, as they have other cases to handle and have been assigned to control other taxpayers in the meantime.

From the foregoing, it is necessary to reactivate the commissions (Local Tax Commission and the National Tax Appeals Commission) to restore to these bodies the importance assigned to them by the legislature. Indeed, it is unacceptable to see a case processed for several years between these two commissions, when a final decision requires only three or four sessions at most.

Moreover, the delay in decision-making can be attributed, in part, to the difficulties judges face in reaching a ruling, due to a lack of tax and accounting knowledge and, at times, an inability to follow the reasoning and technical procedures adopted by the controller.

The latter is thus compelled not only to defend the controlled case and the methodology used, but also to explain the applicable regulations or the interpretation of tax law to the judges and, sometimes, to certain companies.

3.2. Strengthening Human and Material Resources

Faced with the proliferation and diversification of economic activities on the one hand, and the increase in taxable income on the other, the tasks of the Tax Administration are multiplying. This necessitates increasing the number of controllers and their qualifications, as well as acquiring additional material resources.

3.2.1. Increase And Qualification of the Number of Controllers

Taxpayers are required to file their tax returns with the Tax Administration. Some of these returns are monthly or quarterly (Value Added Tax), while others are annual (Income Tax or Corporate Tax). Tax officials are faced with countless returns that they must verify, and if there is an omission, they must contact the taxpayers concerned or visit them on-site (as is the case for businesses).

To manage all these tasks effectively, this Administration must have sufficient staff, both in terms of numbers and the necessary training to perform their duties. In other words, the goal is to ensure that controllers are better equipped to carry out their tasks with a thorough understanding of current legislation (which may be amended with each annual finance law) and the established procedures. However, the Tax Administration suffers from a twofold deficiency at this level: both quantitative and qualitative. This negatively impacts tax revenue and fairness. Therefore, to improve the quality of tax control, the Tax Administration should increase the number of controllers and improve their training.

3.2.1.1. Increasing The Number of Controllers

Increasing the number of staff responsible for tax controls remains a critical necessity, given the growing number of companies likely to be controlled. Indeed, as already highlighted above, there is a disproportion between the continuous increase in the number of companies and the stagnation in the number of controllers.

Therefore, we can say that today, the number of controls carried out annually remains far too low to allow for truly satisfactory and systematic control of all taxable businesses. To address this shortcoming, the tax authorities have entrusted the assessment agents with the responsibility of controlling minor cases that do not require in-depth investigations or significant time, but which can lead to substantial tax adjustments. Using these agents to conduct on-site controls is far from resolving the problem of insufficient controller numbers, especially since their staffing is inadequate, and they have other tasks such as entering tax returns, receiving and informing taxpayers, processing correspondence, etc.

Therefore, it is recommended to recruit enough new controllers with quality training to make tax controls more effective. In this regard, and to quote Professor NGAOSYLANTH, it can be said that "any increase in the number of qualified tax officials, coupled with improved organization of services, can increase tax revenue. This will more than compensate for the costs incurred» (Ngaosyvathn, 1974).

3.2.1.2. Improving The Training of Controllers

The competence of controllers depends largely on the level of training they receive. The Tax Administration needs not only enough controllers, but also those with the desired qualifications.

In this regard, it is essential to provide controllers with ongoing and continuous training adapted to the evolution of both internal factors (the tax system) and external factors (the state system as a whole).

To address training issues, Professor Ngaosyvathn developed four solutions: sending scholarship holders to industrialized countries, receiving experts in developing countries, establishing specialized schools and, finally, on-the-job training (Ngaosyvathn, 1974).

Most of these solutions had been applied by the Tax Administration and they did not produce great results. To improve the training of tax officials, the tax authorities could strengthen their external engagement, particularly with the academic community. Indeed, universities are best positioned to develop not only knowledge but also concepts, projects, and reform visions. The General Directorate of Taxes must trust academics, especially professors of public finance and taxation, as true trainers in this field.

In this context, establishing a collaboration between the Tax Administration and law faculties, and more specifically between the General Directorate of Taxes and specialized training and research units in public finance and taxation, would be highly beneficial. This could be achieved through a cooperation agreement aimed at training multi-skilled agents (technicians and conceptualizers).

Furthermore, this training should enable controllers, in the context of rapid globalization, to effectively deal with the large companies that will be establishing operations in Morocco. It would help these Tax Administration agents to face new problems and would foster in them a sense of creativity and initiative.

3.2.1.3. Controller's Motivation

Within the Tax Administration, motivation depends largely on the remuneration and career advancement of controllers. A salary review in the form of an increase would only have beneficial effects. Indeed, when an employee is treated with greater consideration, they will be motivated to redouble their efforts to conduct better tax controls.

Therefore, the Tax Administration must encourage and motivate this category of civil servants, as Professor M. Laure emphasized: "The State has a duty to reserve special treatment for the particular category of civil servants who not only bear moral responsibility in their work, but are also professionally best placed to judge the inequality of conditions» (Laure, 1957).

This motivation could also consist of professional advancement within an appropriate system of empowerment and delegation. In this regard, the Tax Administration should enable each of its employees to build a genuine career based on their skills and merit. It must guarantee their progression within the hierarchy, including access to positions of responsibility.

It would therefore be beneficial to utilize the "call for applications" procedure to ensure equal opportunities for access to positions of responsibility.

Furthermore, the Tax Administration have to strengthen its workforce planning, which will allow it to better monitor job and career development, thus providing a basis for more effective management of staff and skills.

3.2.2. Digitalization And Equipment of Tax Administration Services

The rise of information technologies is currently undergoing a significant evolution towards a gradual replacement of mass computing with online computing. We will successively address the Digitization of tax administration services and equipment for these administration services.

3.2.2.1. Digitalization Of Tax Administration Services

It is not, of course, the purpose of our contribution to analyse in detail the technical developments that have emerged in the field of management information systems, but rather to observe the massive impact of information technology on the efficiency of the Tax Administration.

One of the striking features of these developments is the gradual replacement of traditional mass computing with online technology. The Moroccan Tax Administration is called upon to further strengthen its efforts to take advantage of the impressive changes taking place in the world of information technology. But first, it is necessary to present the benefits of information technology.

3.2.2.1.1. The Benefits of Information Technology

Information technology is a tool that allows the Tax Administration to improve the efficiency of their services, specifically the tax control, by offering impressive information storage capacity and faster processing.

It is in this sense that the professor Ngaosyvathn highlighted the role of information technology in the development and expansion of the tax administration's scope of intervention. According to him, information technology allows for better monitoring of taxpayers, identification of all sources of wealth, and frees up staff from the burden of tax assessment and collection (Ngaosyvathn, 1974).

Furthermore, information technology can "free the Tax Administration from management tasks where it would have become bogged down. It allows staff to be assigned to more valuable tax control activities, while also enabling more informed decision-making» (Martinez, 1985).

Regarding the decentralized services of the Tax Administration, strengthening IT systems is of paramount importance, as reducing the processing time for tax files is a key factor in improving tax revenue collection.

Local tax offices truly need a strengthened IT network to ensure that taxpayer files are processed more efficiently and accurately. For example, to conduct more in-depth investigations and controls, agents in decentralized services will find IT a reliable path to success. Irregularities related to double billing or false invoices, as well as the reconstruction of turnover figures, are just two examples that could be easily addressed (Narhach, 2002).

Moreover, regarding the communication of files related to the tax assessment procedure, computerization will facilitate the flow of information between the central and regional offices.

Furthermore, the elimination of manual processing of tax returns is doubly beneficial for the controller: firstly, they will have more time to manage the taxable material, and secondly, they will only need to resort to paper documents when searching for evidence following a dispute or litigation between the taxpayer and the tax authorities.

Furthermore, to consolidate the IT system, the Tax Administration should ensure the strengthening of staff users, their ongoing training, and the provision of IT equipment.

It is also essential, for integrated management of the tax system (assessment and collection), that IT implementation be carried out in a collaborative environment at the level of all relevant territorial and national entities. These entities should operate within a harmonious framework.

3.2.2.1.2. Online Technology: Connected Computing and Decision Support

It should be emphasized that the IT advancements benefiting the most advanced tax administrations have, since the early 1990s, focused primarily on "online" technologies, meaning substantial improvements of all kinds related to human-computer interaction. These advances have enabled administrations that have successfully adopted these technologies to make significant progress in decision support and networked computing. Furthermore, they have been accompanied by considerable reductions in the unit cost of processing.

In this sense, the key points of online interactive technology can be summarized as follows:

- Real-time: data immediately available to operators;
- Paperless organization: progressive dematerialization of processes;
- Optimized human-machine interface: maximum accessibility and ergonomics of information systems for users;
- Easier navigation within systems: benefiting both tax officials and taxpayers: electronic services.

In terms of decision support, the major advantage of this technology is not limited, as with mass computing, to simply replacing previously manual processes with automated ones, but extends to providing automated assistance to agents in carrying out complex tasks such as tax controls or tax collection.

Communicating information systems, for their part, are based on the concept of a network, on the possibilities of better sharing all information between tax administration agents, and even, for part of the computerization process, between the administration and taxpayers.

3.2.2.2. Reinforcement The Equipment of Tax Administration Services

The under-equipment of the Moroccan Tax Administration, especially at the regional level, is a reality that no one can ignore. This limits its capacity for action in terms of controls and consequently deprives the State of enormous tax revenues.

This situation compels the officials of the Directorate General of Taxes to redouble their efforts to develop equipment in order to guarantee, on the one hand, the best working conditions for its staff and, on the other hand, to make tax controls more efficient (1).

To achieve these and other objectives, the Tax Administration should implement a comprehensive policy for equipping its services to support structural reform. This policy should aim to:

- develop resources (internal and external) for providing information to taxpayers;
- expand access to computer equipment;
- create a pleasant environment for taxpayers;
- improve working conditions for staff;
- progressively increase office space.

4. DEVELOPMENT OF A FAVORABLE ENVIRONMENT FOR THE EXERCISE OF TAX CONTROL

Today, several difficulties hinder tax controls. These are, unfortunately, linked to the complexity of tax laws and the inadequacy of control procedures.

In this regard, actions should be taken to improve the conditions under which controls are conducted. It is clear that such improvements would necessarily lead to greater efficiency. Indeed, the Tax Administration should improve the legislative framework and the quality of tax controls, establish measures to deter tax fraud, and guarantee tax fairness.

4.1. Improvement Of the Legislative Framework and the Quality of Tax Control

To make tax control more effective, measures should be taken towards the harmonization and simplification of tax legislation, as well as the selectivity of control.

4.1.1. Harmonization And Simplification of Tax Legislation

Faced with tax legislation that has countless imperfections, including the complexity and constant changes to its provisions, The risks of errors, omissions and problems of interpretation (by Tax Administration) are inevitable.

From this perspective, and despite efforts to simplify tax legislation, the laws remain complex, and whenever complex laws exist, the role of implementing regulations remains crucial. These regulations are sometimes not published on time, or they risk rendering the laws passed by parliament meaningless.

Indeed, the ambiguity of certain tax laws leaves the door open to abusive interpretations far removed from the spirit of the texts. This is the source of numerous disputes regarding tax controls.

The need for simplification and harmonization of tax legislation is therefore essential to ensure greater effectiveness in controls. Simplification aims to make taxation more understandable and accessible, and to limit the overly interpretive nature of certain points.

To achieve these objectives, we should strive for the adoption of legislation better suited to socio-economic realities and legislative and regulatory procedures that allow for rapid adaptations.

Moreover, another problem that needs to be addressed is the multitude of exemptions that encourage tax fraud and evasion. The most effective systems generally share the following characteristics: extending the scope of application to a greater number of activities and reducing the number of exemptions to extreme cases.

It would therefore be advisable to generalize the taxation of all income and to shorten the time frame for certain exemptions. All sums, regardless of their nature, should fall within the scope of taxation. This does not mean that these sums will actually be taxed, as it is possible to implement a system of basic allowances or exemption thresholds for certain social goods and services.

Furthermore, the legislation should be revised with a view to shortening processing times, particularly for claims and disputes, and to drafting tax procedures simply and concisely. This will strengthen the scope of legislation at the expense of circulars and, consequently, leave less room for interpretation of these texts.

Furthermore, from a tax control perspective, the substantive provisions recommend:

- clarifying the scope of certain provisions relating to the possibility of challenging the declared tax bases;
- consolidating the legal force of accounting records by assessing them solely with reference to accounting law. In this approach, the legal framework for controls must respect the principle of the independence of legislation by highlighting the fact that the taxable income of companies is strictly that shown by their legally maintained accounting records, corrected, where applicable, according to tax law provisions. Any adjustment to the tax base thus obtained must be justified not by reference to the tax authorities' general positions, but by a specific breach of accounting law or the incorrect application of tax deductions and reinstatements. Consequently, the legal and regulatory framework for tax controls should extend the tax authorities' right to access information to any document that could shed light on the quality of accounting records and the accuracy of the quantity and value assessments of transactions.

In short, it is time to make the tax system simpler, more consistent, and better suited to the country's context. The Moroccan tax landscape would thus benefit from greater accessibility for taxpayers, and tax controls would become more effective.

4.1.2. Selectivity Of Tax Control

The idea of opting for selectivity is an undeniable factor in efficiency, but it must be considered within the context of tax controls. Better targeting of controls should focus on high-risk entities, that is, those whose files show the most signs of fraud.

Therefore, particular attention should be paid to companies that declare annual losses by prioritizing tax controls. In Morocco, many companies have long declared losses without being controlled. These companies are only loss-making on a tax basis; the reality is quite different, as evidenced by the financial situation of their directors.

Furthermore, it is equally certain that only a strengthening of external investigations and inter-community information exchanges will improve control planning. Indeed, conducting monographic studies and developing technical fact sheets on company activities will help to better target controls based on the company's size, organization, and sector of activity.

In this regard, the role of information technology is undeniable, as the revitalization of tax control relies, to a large extent, on improving and enhancing computer-based selection methods. In this respect, creating a database by entering information from tax aggregates can be used for selection purposes. In this way, tax authorities will ensure the rapid detection and automatic monitoring of "defaulting" taxpayers, that is, those who fail to meet their filing and payment obligations.

In this sense, targeted tax control implies, on the one hand, an expanded control methodology as the basis of the control process, and on the other hand, a strengthening of internal file controls. This new approach would allow not only for a more selective control presence, but also for a more assertive and comprehensive one.

The control must extend to the taxpayer's entire tax situation. Indeed, in addition to the physical checks inherent in any tax control, external investigations necessary for an examination of the taxpayer's personal tax situation should be carried out. This simultaneous and comparative examination would allow for verification of the consistency between, on the one hand, declared income and, on the other hand, the taxpayer's cash flow and living conditions.

The tax authorities should also refrain from conducting external controls until after they have assessed the merits of the case during a desk control. Furthermore, this control should be comprehensive, not merely a formality limited to a cursory and purely factual review of the documents submitted by the taxpayer. It involves a critical and holistic examination: all items in the tax return should be verified and compared with all the information and documents held by the tax office conducting the control.

4.2. Establishment Of Deterrent Measures

Tax fraud has reached a significant level that calls for more effective solutions. The complexity of the tax system, the underreporting of declared income, and the existence of a large informal sector are major obstacles to accurately quantifying the gap between actual and declared income. Hence the need to institutionalize new measures to curb this phenomenon and to strengthen existing ones.

4.2.1. Strengthening Of Sanctions

To combat tax fraud, it is necessary to strengthen penalties. This strengthening involves both reinforcing existing sanctions and criminalizing fraudulent practices.

While the legislature has institutionalized measures in the form of financial penalties against anyone who has taken action to evade taxes, these are, in our opinion, modest and may be subject to discretionary remission.

Furthermore, criminal penalties are not severe and can only be imposed during a tax control and if the offenses fall under those stipulated by law. Which is sometimes difficult to prove.

It should also be noted that criminalizing tax fraud risks leading to abuses by those against whom the prison sentence is handed down. Indeed, the law specifies that in the case of "incriminated" companies, the prison sentence can only be imposed on the individual who committed the offense (The Moroccan General Tax Code, Article 231). Which is sometimes difficult to prove.

Thus, for example, if offenses are committed on the instructions or with the approval of a company executive, that executive will never leave their subordinates with evidence that could convict them. Similarly, the legal and tax advisor or expert who assisted or advised the perpetrators of the offenses is guilty. However, their complicity still needs to be proven.

In addition to strengthening penalties, it is necessary to revise the procedures and deadlines for tax appeals to compel companies to comply with current tax laws.

4.2.2. Institution Of Spot Checks

Due to their cumbersome nature, current tax control procedures are not suitable for all cases. Therefore, implementing ad hoc controls based on an analytical approach is unlikely to be a practical solution given the limited number of controllers, the increasing number of taxpayers subject to control, and the heterogeneous and diverse nature of the cases to be reviewed.

Furthermore, the implementation of the right to make findings (The Moroccan General Tax Code, Article 210) in a rational and well-structured manner, would be an excellent tool for tax control in general and for ad hoc controls in particular.

4.2.3. Use Of Verification Results

The analysis of the results of the controls of the files reviewed should lead to the establishment of a typology of offenses based on the corrective actions taken. This typology should serve to determine the actions to be undertaken.

From the analysis of the corrective actions taken, the following offenses can be distinguished a priori (Aman, 2008):

- Errors, omissions, and inaccuracies that are not serious;
- Errors, omissions, and inaccuracies that are serious;
- Differences in interpretation;
- Offenses constituting tax fraud and evasion.

The analysis of data from controlled files will provide information on the most common types of offenses, and the actions to be taken by the tax authorities will depend on this. If the analysis of this data reveals that the majority of tax adjustments stem from differences in interpretation, this means that action should be taken at the legislative level to eliminate these differences. Some cases simply require additional communication and explanation, preceded by consultation.

The same reasoning applies to errors, omissions, and inaccuracies that require support for businesses (joint development of tax-related IT tools, for example, regarding the inclusion of cash receipts and deductions in VAT returns).

This approach should lead to a focus on cases of tax fraud and evasion through analytical programming that utilizes risk analysis tools and leverages feedback from controls.

4.2.4. Strengthening The Expertise of the Tax Administration

Strengthening the expertise of the tax administration requires a two-pronged approach: training controllers and fostering synergy between experience and skills.

- Controller training: First, it should be emphasized that new recruits to the tax administration receive initial training covering all disciplines related to taxation. While this training is essential regardless of their assigned department, it is even more crucial for those assigned to conduct tax controls. Indeed, in addition to initial training, ongoing professional development is an indispensable means of enhancing the skills of these controllers in the face of the complexity of corporate information systems and internal management procedures.

- Synergy of Experiences and Skills: On this point, it is important to confirm that the use of technological tools in tax controls should enable better synergy of experiences and skills. This presupposes the prior development of a control guide or manual to harmonize and standardize control methods and procedures.

This synergy is achieved through the creation of a database, populated at the end of each control with adjustments that are novel and relevant to the corresponding legal or regulatory basis, the due diligence, and the procedures implemented to support those adjustments.

Implementing these actions would allow for a more rational use of material and human resources, save time and effort for controllers, and lead to greater efficiency and effectiveness in tax controls.

4.3. Guarantee Of Tax Fairness

To ensure tax fairness, it would be necessary, on the one hand, to address tax fraud and, on the other hand, to tax the informal sector.

4.3.1. Fight Against Tax Fraud

Tax fraud is one of the most glaring weaknesses of the Moroccan tax system, despite the tax provisions enacted by the framework law dating back to 1984.

The persistence of this scourge suggests that the provisions of this law are insufficient, or that effective means of combating it are lacking.

Therefore, the adoption of measures (Elhilali, 2025) whether in terms of tax techniques, tax procedures pursued by the Tax Administration, or jurisdictional measures, will be insufficient unless they are complemented by a genuine political will to apply these measures rigorously and without discrimination between taxpayers.

From this perspective, it can be confirmed that the fight against tax fraud should not consist solely of pursuing the financial objective and neglecting the objective of fairness. It must address three levels: first, the level of tax technology, then the administrative and jurisdictional level, and finally the psychological level.

4.3.1.1. Combating Tax Fraud Through Technical Means

The fight against tax fraud at this level should primarily involve reviewing the components of the current tax system and addressing the shortcomings in the technical provisions of the various taxes, which are effective tools in the hands of fraudsters.

For example, the lack of objective and reliable criteria for defining wholesale traders allows tax evaders to avoid paying value-added tax.

Furthermore, the continued laxity in corporate and personal income tax, particularly regarding the definition of deductible expenses, constitutes a significant source of fraud that must be addressed.

The examples cited above suggest the need to implement measures to combat tax fraud at the technical level. Among these measures, we can note: first, the establishment of simple, clear, and consistent techniques, and the overcoming of the system of multiple taxes, which is a major cause of tax evasion due to its inherent contradictions.

Second, the expansion of the withholding tax system that constitutes a very effective means of combating tax fraud. Indeed, this technique is characterized by the declaration of a third party who has no interest in committing fraud. Hence the need to expand this technique to cover the largest portion of the tax base.

Finally, broadly speaking, combating fraud at the level of tax technology requires improving this technique in terms of assessment, calculation, and collection.

4.3.1.2. Combating Fraud at the Administrative and Jurisdictional Levels

- At the administrative level:

The fight against fraud must be strengthened, first and foremost, in terms of tax controls. The tax authorities should not be satisfied with the sporadic control campaigns that give fraudsters time to organize, but should conduct controls more frequently.

To achieve this, the number of controllers must be increased. They must also be provided with training that keeps pace with economic, fiscal, and, above all, technological developments.

Similarly, controllers must be equipped with the necessary technical resources. In this regard, the right to make findings constitutes a positive step in the process of improving tax control to combat tax fraud.

Furthermore, material resources are of considerable importance as they facilitate the fight against tax fraud. For example, strengthening IT systems would allow for the centralization of information regarding the tax base, assessment, collection, and control. Consequently, at the control level, the selection of controls to be carried out would be more rational thanks to more efficient identification of taxpayers to be controlled.

- At the jurisdictional level:

First, it should be noted that the finance law for the year 1996-1997 has been established the tax fraud as a criminal offense. Under this law, measures include fines ranging from 5,000 to 50,000 Moroccan dirhams, and in cases of repeat offenses, a prison sentence of one to three months, in addition to the tax penalties already stipulated by existing law.

However, these repressive measures cannot be truly effective without improvements to tax appeal procedures and timelines. Indeed, these procedures are lengthy and can last for years.

Finally, it is necessary to introduce specific and more stringent sanctions, in addition to judicial penalties. These include:

- administrative sanctions such as the withdrawal of a business license, the withholding or confiscation of a passport, etc.;

- economic sanctions such as the temporary closure of the fraudulent company, its exclusion from public procurement for a specified period, or its ineligibility for credit, etc.as a criminal offense. Under this law, measures include fines ranging from 5,000 to 50,000 Moroccan dirhams, and in cases of repeat offenses, a prison sentence of one to three months, in addition to the tax penalties already stipulated by existing law.

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- economic sanctions such as the temporary closure of the fraudulent company, its exclusion from public procurement for a specified period, or its ineligibility for credit, etc.

4.3.1.3. Combating Tax Fraud at the Psychological Level

Taxpayers must not only understand the new tax provisions but also embrace the reform process. Therefore, new relationships must be established between the tax administration and taxpayers to create a receptive environment for implementing tax reform through a "customer-centric approach."

Consequently, the challenge is to create the conditions for tax compliance so that taxes cease to be a burden that many try to avoid and instead become, in everyone's eyes, a normal way to contribute to public expenses.

In this regard, the tax administration could strengthen initiatives such as:

- Widespread dissemination of tax legislation nationwide. This involves informing taxpayers as broadly as possible about tax laws and the amendments introduced each year, striving to provide clear and accessible explanations for all taxpayers. Therefore, this information should consist of informing individuals of their tax obligations, thereby raising their awareness of the purpose and usefulness of public resources. In other words, it is necessary to foster acceptance of taxation;

- Improving tax compliance through education, by considering taxation as an essential and vital discipline. It would thus be desirable to follow the example of the association of tax administrations of Latin American countries, which has decided to begin tax education in primary school. The teacher will then become an "ally of the tax authorities» (Rivoli, 1965);

- Finally, it is necessary to move beyond the "conflictual" nature of the relationship between the tax administration and taxpayers. This relationship should instead be one of understanding and collaboration, particularly regarding the assessment, liquidation, and collection of taxes.

4.3.2. Taxation Of The Informal Sector

The taxation of the informal sector unfolds as a process of legalization and of establishing a relationship between the state and the informal sector. It can occur on a voluntary or repressive basis. As such, it raises a series of equally important questions and implications.

From a political standpoint, taxation presupposes the state's capacity to control its internal space and to shape attitudes and behaviours. Indeed, the state should be prepared to provide the expected return in terms of services or responses to the demands of a segment of the population accustomed to self-reliance and living outside the formal economic system.

Furthermore, from a fiscal perspective, the revenue lost due to the existence of this sector is not as significant as some analyses suggest. Most activities covered by the definition of informal are automatically exempt because they fall below the tax thresholds. However, it should be added that those who earn a living from these activities are not entirely exempt. A portion of the income generated by so-called informal activities is returned to the state in the form of consumption taxes (Cheikh, 2008).

Although initially limited in scope, the fiscal approach remains an essential complement to any strategy aimed at fostering a robust national economy based on the principle of free competition. This reveals that the success of such an approach requires action on the environment through incentive and support measures. These measures concern the consolidation of both the environment of transparency and taxpayers' adherence to taxation.

4.3.2.1. Strengthening The Environment of Transparency

A comparative analysis of the experiences of certain countries highlights the importance placed on transparency measures in the tax approach to combating the informal sector.

Invoicing to ensure the documentation and traceability of commercial transactions, the establishment of obligations regarding payment methods, the display of the business tax item, the registration and identification of unregistered taxpayers, and the introduction of a unique identifier are all processes implemented to eradicate the informal sector, or at least to consolidate an environment hostile to its development.

4.3.2.2. Consolidation Of Tax Compliance

To facilitate tax compliance and prevent taxpayers from moving into the informal sector, measures should be strengthened: simplification, reduction of tax pressure, the tax fairness and the granting of guarantees to taxpayers.

- Simplification: Simplifying the tax system is a key factor in promoting taxpayer compliance and, consequently, in combating the informal economy. Simplification efforts undertaken in various countries have materialized in numerous and diverse initiatives.

In Morocco, these have included, among other things:

- the unification of the tax identification number, replacing the multiple numbers previously assigned to a single taxpayer;
- a single declaration of existence for taxpayers;
- the development of a General Tax Code encompassing all taxes, simplifying all assessment methods, and harmonizing all tax procedures regardless of the type of tax.

Simplification has also taken the form of assistance and support for taxpayers through the establishment of specialized structures to assist them with bookkeeping and fulfilling their reporting obligations.

-Reduction of the tax burden: In the context of a high-tax economy, the benefits of integration into the formal sector are becoming increasingly uncertain. This explains the efforts made by various countries to reduce the tax burden, especially since such reductions also aim to enhance the attractiveness of the national economy.

In Morocco, in addition to the abolition of several schedular taxes and levies (contribution on exempt income, national solidarity contribution, etc.), tax rates and their number have been reduced, but they remain both higher and more numerous.

- The Tax fairness: The absence or weakness of fairness in the tax system can also generate hostility towards taxation. It fosters an atmosphere of suspicion towards taxes, suspicion which can reinforce the choices of those operating in the informal sector. Tax policies and adjustments that promote greater fairness are recommended in any strategy aimed at combating the informal economy.

- Providing guarantees to taxpayers: It helps reassure them about the potential consequences of their integration into the formal economy. This approach, which also contributes to building and strengthening the rule of law, has been adopted by several countries.

These guarantees include, among others:

- The right to appeal to arbitration boards and judicial bodies;
- The right for taxpayers under control to appoint an advisor to assist them;
- The establishment of a taxpayer charter;
- The legal framework for tax assessments;
- The right to a statute of limitations for tax claims.

5. CONCLUSION

In conclusion, it is important to emphasize that the effectiveness of tax controls is closely linked to identifying the key drivers that influence them. Indeed, it can only be achieved through a clear, relevant, objective, and feasible strategy.

The strategy to be developed must necessarily encourage the mobilization of all stakeholders within the Tax Administration. Business planning must become more relevant, the preparation of case studies must be more efficient, and the cross-checking service must be valued and involved in the performance improvement process in which the Directorate General of Taxes is engaged.

Furthermore, the tax control performance strategy outlined here places particular emphasis on allocating the necessary resources for its implementation. These resources would enable all tax administration staff to overcome material constraints in fulfilling their assigned mission.

Moreover, establishing a legal framework conducive to the evolution of tax controls is a major lever for achieving the desired performance. The initial focus was on simplifying and harmonizing the tax system, generalizing systematic tax controls, and implementing a system for compiling decisions from all appeals bodies.

Added to this is the strengthening of guarantees and rights offered to taxpayers during tax controls, in order to ensure a balance in the face of the tax administration's extensive powers.

Finally, it should be noted that the effectiveness of tax controls is a crucial factor in attracting foreign investors who seek to secure their rights and guarantee the long-term viability of their investments in host countries.

In this context, one might ask whether the effectiveness of tax controls itself could be considered a lever for attracting foreign investment.

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