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Related party transactions and corporate tax management: insights from a systematic literature review

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Abstract

This study aims to systematically analyse the existing literature on Related Party Transactions (RPT) and their implications for corporate tax management. Using a systematic literature review method, 28 peer-reviewed articles published between 2019 and 2024 from Scopus-indexed journals were selected based on predefined inclusion criteria. The review reveals that RPT is closely associated with various corporate outcomes such as earnings management, tax avoidance, firm value, and financial reporting quality. The findings indicate that while some studies support the opportunistic view of RPT and linking it with aggressive tax strategies, others present a more efficient perspective, highlighting RPT as a means of resource allocation and internal financing. The research identifies Agency Theory as the most dominant theoretical lens, followed by Stakeholder Theory, Resource Dependence Theory, and others. Independent variables examined in the literature include RPT types, board characteristics, ownership structure, CSR/ESG disclosure, and institutional factors, while dependent variables range from earnings management to tax avoidance and firm value. The analysis also highlights inconsistencies in empirical results, driven by differences in institutional contexts, regulatory environments, and moderating variables such as CSR, board independence, and audit quality.

Keywords: Related Party Transactions; Corporate Tax Management; Agency Theory.

Abstrak

Penelitian ini bertujuan untuk menganalisis secara sistematis literatur mengenai *Related Party Transactions* (RPT) dan implikasinya terhadap manajemen pajak perusahaan. Dengan menggunakan metode tinjauan literatur sistematis, sebanyak 28 artikel telah ditinjau dan diterbitkan antara tahun 2019 hingga 2024 dari jurnal-jurnal yang terindeks Scopus dipilih berdasarkan kriteria inklusi yang telah ditetapkan. Tinjauan ini menunjukkan bahwa RPT memiliki keterkaitan erat dengan berbagai hasil perusahaan seperti manajemen laba, penghindaran pajak, nilai perusahaan, dan kualitas pelaporan keuangan. Temuan menunjukkan bahwa meskipun beberapa studi mendukung pandangan oportunistik terhadap RPT dan mengaitkannya dengan strategi pajak yang agresif, studi lain menawarkan perspektif yang lebih efisien dengan menyoroti RPT sebagai sarana alokasi sumber daya dan pembiayaan internal. Penelitian ini mengidentifikasi Teori Agensi sebagai lensa teoritis yang paling dominan, diikuti oleh Teori Pemangku Kepentingan, Teori Ketergantungan Sumber Daya, dan teori lainnya. Variabel independen yang dikaji dalam literatur mencakup jenis RPT, karakteristik dewan, struktur kepemilikan, pengungkapan CSR/ESG, dan faktor kelembagaan, sementara variabel dependen meliputi manajemen laba, penghindaran pajak, hingga nilai perusahaan. Analisis ini juga menyoroti ketidakkonsistenan hasil empiris yang disebabkan oleh perbedaan konteks institusional, lingkungan regulasi, serta variabel moderator seperti CSR, independensi dewan, dan kualitas audit.

Kata kunci: *Related Party Transactions*; Manajemen Laba; Teori Agensi

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1. Introduction

Related Party Transactions (RPT) is a persistent topic in corporate governance and tax management studies. RPT refers to any transaction involving parties with a special relationship, such as between a parent and subsidiaries, controlling shareholders, or key management personnel. These transactions can be manipulated to benefit controlling interests at the expense of minority shareholders and financial reporting quality (Bona-Sánchez et al., 2023; Zimon et al., 2021). Numerous research papers record that RPT is frequently utilized as a tool of earnings management—both accrual-based (AEM) and real activity manipulation (REM)—as well as for tax avoidance (Alhadab et al., 2020; Gavana et al., 2024; Tarighi et al., 2022). Still, not all RPTs are per se adverse. In some contexts, RPTs serve a strategic role in streamlining tax planning and enhancing operational effectiveness, especially for inter-entity arrangements (Saurabh, 2023; Wang et al., 2020). RPT thus needs to be interpreted contextually, taking into account regulatory regimes, ownership, and governance arrangements.

Most of the literature adheres to agency theory to explain opportunistic behaviour through RPT, where there exist conflicts among principals and agents (Alsultan & Hussainey, 2024; Fooladi & Farhadi, 2019). In such settings, management is able to utilize RPTs in pursuit of private benefits at the expense of capital providers. However, stakeholder theory, resource dependence theory, and institutional theory are also applied to examine how external pressures, institutional ownership, and regulatory environments influence RPT behaviour (Khuong et al., 2023; Li, 2021; Mahenthiran et al., 2020). The literature also identifies that the impact of RPT on tax planning and firm performance is often moderated by variables such as board independence, audit committee structure, gender diversity, and CSR/ESG disclosure (Abigail & Dharmastuti, 2022; Bona-Sánchez et al., 2023; Gavana et al., 2022). In Khuong et al., (2023) study, CSR disclosure successfully alleviated the negative impact of RPT on firm value and enhanced managerial transparency. Similarly, Kim & Jung (2022) demonstrated that RPT's role in enabling CSR depends on the controlling ownership structure.

Some studies also note that RPT's effect can reverse under some circumstances. For instance, Wulandari et al., (2022) found that prior to the COVID-19 pandemic, RPTs were more likely to be opportunistic and value-destroying, but during the pandemic, RPTs were efficient and strategic. Likewise, Gift Taxes in South Korea were successful at curbing opportunistic RPTs without disrupting transactional efficiency (Chung et al., 2019). In tax administration, RPTs are usually employed to shift tax loads tactically among related parties. Nuritomo et al., (2020) found that shareholder tax loads promote tax evasion through reduced dividends and the employment of RPTs. Conversely, Majid et al., (2020) found a positive relationship between RPT intensity and the use of *sukuk* financing in Islamic financial settings, reflecting an assumed moral commitment. The tendency to utilize RPT for tax avoidance and earnings management has drawn significant interest from monitoring bodies and regulators. Pasc & Hategan (2023) revealed that most Key Audit Matters (KAM) related to RPT are reported by Big 4 auditors, particularly in Western Europe and the financial sector, indicating that RPT remains a high-risk audit area. Regulators are therefore encouraged to craft policies that can differentiate between abusive and strategic RPTs in order not to hinder legitimate internal efficiencies.

Geographically, most of the studies in this review are conducted in emerging Asian economies such as Indonesia (Abigail & Dharmastuti, 2022; Supatmi et al., 2019), Iran (Tarighi et al., 2022), India (Saurabh, 2023), and transitional economies such as Vietnam (Thu et al., 2023). This reveals the heightened challenges in RPT governance and its implications on tax administration in jurisdictions where investor protection and regulatory institutions are developing. As tax transparency and corporate accountability gain momentum globally, it has become increasingly important to know how RPTs are applied, monitored, and disclosed. The article provides a systematic review of 28 Scopus-indexed Q1 to Q4 journal articles from 2019 to 2024 to identify thematic trends, theoretical contributions, key variables, and empirical directions related to RPT and corporate tax management.

This study offers several implications for scholars, practitioners, and policymakers. For academics, it identifies research gaps and theoretical tensions in the existing literature on RPT and corporate tax management. For practitioners, it identifies how governance mechanisms, such as board independence and CSR disclosure, mitigate the risks associated with RPT. For regulators and policymakers, the findings stress the importance of nuanced regulations that distinguish between opportunistic and efficient RPTs. To achieve these implications, this literature review is written to address the following research question:

RQ1: How has research on RPT and Corporate Tax Management developed to date?
RQ2: What causes the inconsistency of findings related to RPT and Corporate Tax Management?

2. Research Method

This study adopts a systematic literature review (SLR) method to comprehensively investigate the relationship between Related Party Transactions (RPT) and corporate tax management. The SLR method enables a structured, transparent, and replicable process to synthesize and evaluate academic evidence, especially within a complex and multifaceted topic such as RPT. The review is carried out in three main phases: planning the review, conducting the review, and reporting on the review. This SLR method allows for a structured, transparent, and replicable process to synthesize academic findings and identify knowledge gaps, particularly within such a multifaceted topic. The review was conducted in three main stages: planning the review, conducting the review, and reporting on the review. In the planning stage, a review protocol was developed based on the objectives and scope of the study (Figure 1). The inclusion and exclusion criteria were clearly defined to ensure the relevance and academic quality of selected articles.

The inclusion criteria for this review are as follows. First, the selected articles must examine the impact of Related Party Transactions on earnings management, tax avoidance, or corporate tax management. Second, only studies published between 2019 and 2024 are considered. Third, the articles must be published in reputable journals indexed by Scopus, ranging from Q1 to Q4. Lastly, the articles must present empirical findings and be available in full-text format to ensure comprehensive analysis and data accessibility.

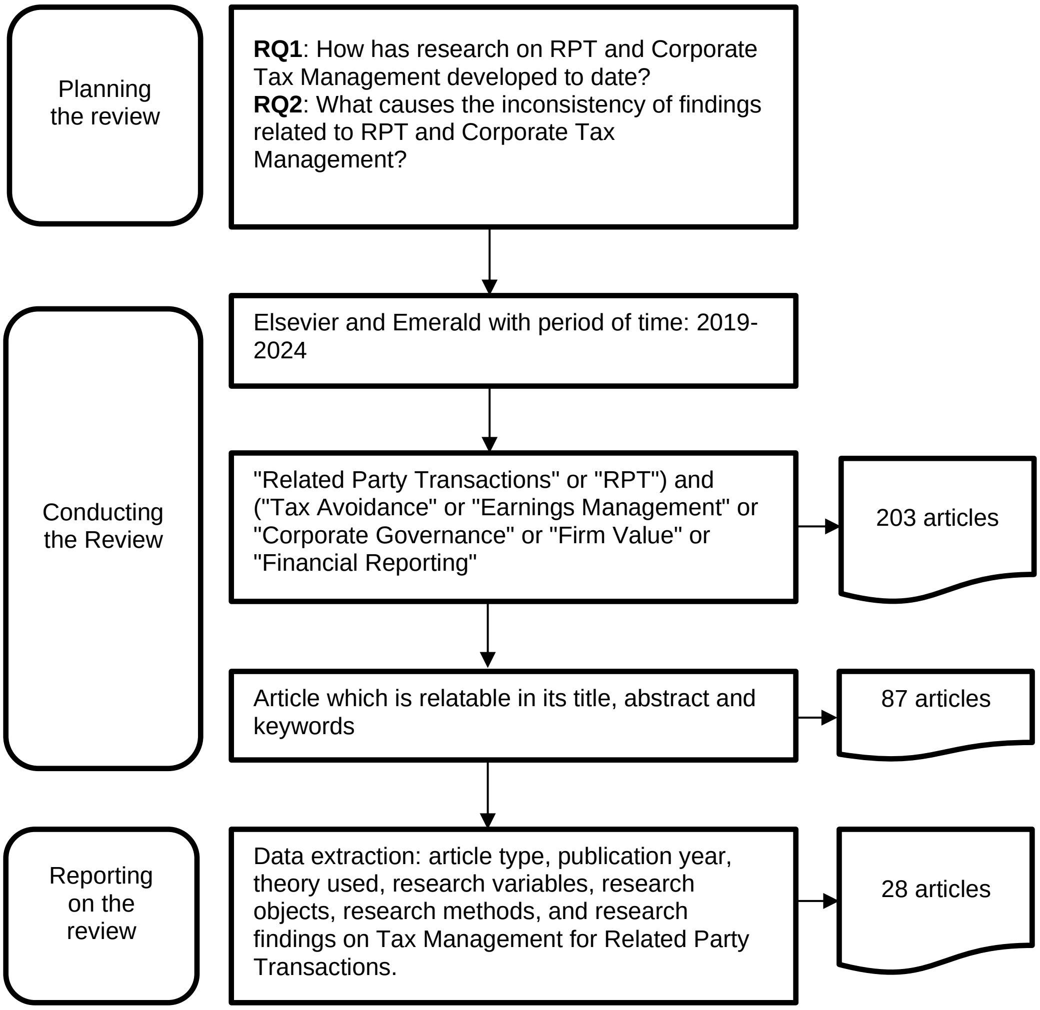

Figure 1. SLR Protocol Information Source

The exclusion criteria for this review are as follows. First, non-peer-reviewed papers—such as editorials, conference proceedings, and book chapters—are excluded. Second, articles that are unrelated to Related Party Transactions or lack direct relevance to tax or earnings outcomes are not considered. Third, studies that focus solely on transfer pricing without explicitly linking it to Related Party Transactions are excluded. Lastly, research that focuses exclusively on the public or non-profit sector is also not included in this review.

The literature search was carried out using structured queries on academic databases such as Scopus, Emerald and Elsevier. The following keywords and Boolean operators were used; ("Related Party Transactions" or "RPT"), and ("Tax Avoidance" or "Earnings Management" or "Corporate Governance" or "Firm Value" or "Financial Reporting"). Initial filtering produced more than 200 articles. After screening titles and abstracts and applying inclusion/exclusion criteria, 28 articles were retained for full-text review. Articles were analysed using a data extraction form that included: (1) Author(s) and publication year; (2) Journal title and index rank; (3) Country of data collection; (4) Research method (quantitative, qualitative, review); (5) Theoretical framework applied; (6) Independent and dependent variables; and (7) Major findings and effect direction.

To ensure objectivity and consistency, all articles were reviewed independently and cross-checked. Data were synthesized using thematic coding and tabular comparison. The final stage involved organizing the synthesized findings into key thematic clusters, such as theoretical contributions, RPT classification (e.g., beneficial vs. detrimental), implications for tax planning, and governance-related moderating variables. A structured matrix was created to compare variables, sample regions, methods, and key conclusions across all studies. The results were reported in a narrative format supplemented by analytical tables. Key insights were discussed in relation to corporate tax policy, board oversight, institutional settings, and the role of CSR/ESG disclosures. The findings aim to inform both academic literature and practical regulatory efforts regarding the design and monitoring of RPTs.

In this study, reputable international journal databases were employed to search for scholarly journal articles on the subject of the relationship between Related Party Transactions (RPT) and Corporate Tax Management. The searched databases included Scopus-indexed journals by Elsevier and Emerald. In consideration of maintaining academic rigor and review credibility, only peer-reviewed journal articles in Q1 to Q4 rankings were considered, providing wide coverage of high-quality publication standards in scholarly research. The search strategy aimed to target articles within the timeframe 2019 to 2024 to guarantee that the study was able to capture the most recent theoretical and empirical developments in the research field. Using defined keywords and Boolean operators, 203 articles were initially retrieved. Later, 87 articles were shortlisted as possibly relevant after screening for title, abstract, and keywords relevance. Following a thorough evaluation with defined inclusion and exclusion criteria, a final list of 28 articles was selected for systematic review and thematic synthesis. These articles were examined using a strict data extraction protocol, which consisted of article type, year of publication, theoretical framework, research variables, methodological design, country of study, and main research findings. This ensures that the resulting synthesis is a comprehensive and systematic description of how RPT influences tax avoidance, earnings management, and firm performance in various institutional and governance contexts.

The distribution Table 1 reveals that the 28 analysed articles are found in a series of top global journals covered by Scopus, with Q1 to Q4 rankings. The majority of the articles—17 out of 28 (60,71%)—are published in Q2-ranked journals such as Risks, International Journal of Financial Studies, Asian Review of Accounting, Cogent Business & Management, and so on. This indicates that the topic of Related Party Transactions (RPT) and Corporate Tax Management is of significant interest to top-quality mid-tier journals. A total of 7 articles (25%) are written in Q1 journals, for instance, Sustainability, Journal of Family Business Management, Journal of Financial Reporting and Accounting, and Journal of Accounting Research. Publication in Q1 journals of the above articles evidences the intellectual value and respectability of findings, an expression of high levels of peer reviewing and how major an issue this is to prestigious scholarly readership. On the other hand, Q3 journals contain 2 articles (7.14%) and one article identified in a Q4 journal, namely Review of Pacific Basin Financial Markets and Policies, though lower ranked, as it offers insightful information due to its contextual appropriateness to the objectives of the study. Generally, this spread identifies that RPT and corporate tax management are areas of growing research interest across various publication levels. The dominance by Q2 and Q1 journals guarantees that most of the selected studies are of high academic quality, suggesting meaningful contributions to accounting, finance, and corporate governance literature.

Table 1. Journal Identity

No	Journal Name	Rangking	Number	percentage
1	Business: Theory and Practice	Q3	1	3,57
2	Cogent Economics & Finance	Q2	1	3,57
3	International Journal of Accounting & Information Management	Q2	1	3,57
4	International Journal of Business and Society	Q3	1	3,57
5	International Journal of Productivity and Performance Management	Q1	1	3,57
6	Journal of Accounting Research	Q1	1	3,57
7	Journal of Family Business Management	Q1	1	3,57
8	Journal of Financial Reporting and Accounting	Q1	1	3,57
9	Journal of International Accounting, Auditing and Taxation	Q2	1	3,57
10	Journal of Public Budgeting, Accounting & Financial Management	Q2	1	3,57
11	Managerial and Decision Economics	Q2	1	3,57
12	Pacific-Basin Finance Journal	Q1	1	3,57
13	PLOS ONE	Q1	1	3,57
14	Review of Pacific Basin Financial Markets and Policies	Q4	1	3,57
15	Asian Review of Accounting	Q2	2	7,14
16	Cogent Business & Management	Q2	2	7,14
17	Journal of Islamic Accounting and Business Research	Q2	2	7,14
18	Sustainability	Q1	2	7,14
19	International Journal of Financial Studies	Q2	3	10,71
20	Risks	Q2	3	10,71
	Total		28	100

3. Results and Discussion

Reporting and Dissemination of Findings

Figure 2 illustrates the number of articles discussing “Tax Management for Related Party Transactions” over the period from 2019 to 2024. The trend shows significant fluctuations, with periods of growth and notable declines as follows:

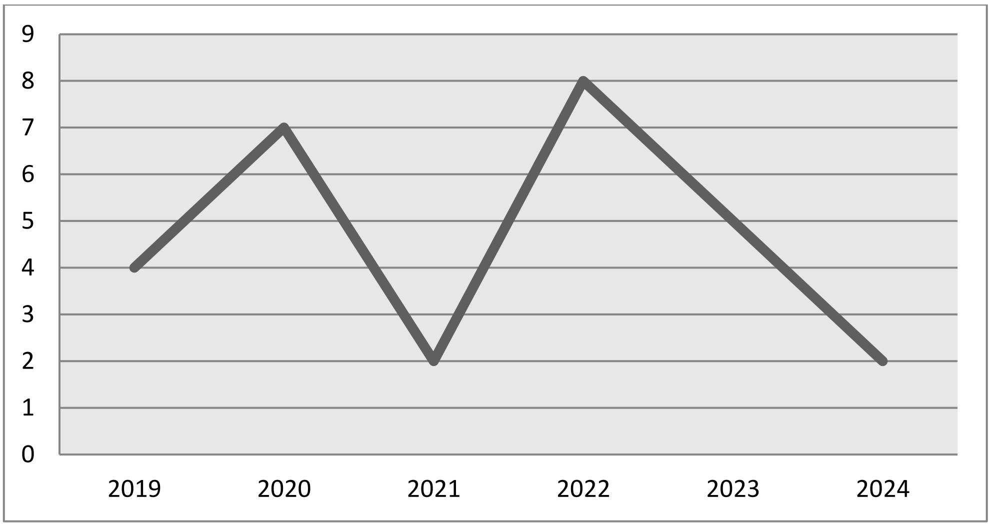

Figure 2. Journal Used Over the Time Period

The trend of the articles considered is in line with the increasing academic interest in the topic of Related Party Transactions (RPT) and Corporate Tax Management over the past six years. The year 2022 witnessed the highest number of publications with 8 articles (28.57%), which indicates enhanced scholarly attention and research activity during the year. This may be attributed to mounting regulatory reforms and corporate transparency issues owing to economic instability across the world. This was preceded by 2020 contributing 7 articles (25%), showing consistent work of research during the early years of the COVID-19 pandemic, which focused on corporate governance and financial reporting practices again.

The year 2023 also marked robust presence with 5 articles (17.86%), suggesting continuous interest in the topic among researchers. On the other hand, years 2019, 2021, and 2024 had relatively fewer articles with 4, 2, and 2 articles, respectively. These fluctuations may reflect broader publication cycles or shifts in research priorities for funders. Nevertheless, the fact that articles regularly appeared each year from 2019 to 2024 suggests sustained relevance and shifting discourse on RPT and tax-related corporate actions among academics.

Theoretical Lens

In order to more fully understand the conceptual underpinnings of the reviewed studies, Table 2 presents an overview of the theoretical frameworks employed in the 28 selected articles. The table categorizes the application of grand theories and corresponding smaller or contextualized constructs, and determines the common lenses through which the relationship between Related Party Transactions (RPT) and corporate tax governance was studied.

Table 2. Theories

No	Grand Theory	Smaller Theories	Number
1	Agency Theory	- Managerial opportunism - Ownership structure - Institutional ownership	16
2	Stakeholder Theory	- Corporate Social Responsibility (CSR) - ESG Performance - Fairness & Transparency	5
3	Resource Dependence Theory	- Political connections - Board independence - Family control	3
4	Signalling Theory	- Voluntary disclosure (KAM, audit quality) - IFRS adoption	2
5	Institutional Theory	- Governance structure under regulation - Voting rights (majority of minority shareholders)	2
		Total	28

Theoretical analysis of the 28 articles indicates Agency Theory to be the most common approach, applied in 16 papers. It mirrors the essence of RPT as a potential vehicle of managerial opportunism and self-interest, especially with ownership structure and institutional shareholding being undermined. The general applicability of agency theory means that scholars always explain RPT in the context of principal-agent conflicts, emphasizing the risks of opportunistic behaviour when there is poor governance.

Stakeholder Theory was the second most common framework, citing 5 articles. Studies based on this view are likely to focus on CSR, ESG performance, and overall issues of transparency and fairness. This is a growing interest in the extent to which RPTs influence not only shareholders but also other stakeholders, including regulators, creditors, and the public. Resource Dependence Theory (RDT) is used in 3 studies, specifically when it comes to political connections, board independence, and family control. These studies examine how companies manage dependencies on outside actors strategically using RPT in order to gain resources or legitimacy.

Signalling Theory and Institutional Theory were used in 2 studies, respectively on voluntary disclosures (for example, Key Audit Matters, audit quality) and governance frameworks shaped by regulatory environments. Institutional Theory specifically sheds light on the way rules, norms, and expectations influence the structure and monitoring of RPT globally. Overall, the spread of theoretical lenses is a healthy diversity of conceptual approach, although Agency Theory remains at the center. The convergence of stakeholder, institutional, and signalling theories reflects the interdisciplinary nature of RPT research and its growing overlap with issues of corporate responsibility and regulation.

Dependent Variable

To identify the focus and outcome dimensions of the included studies in this review, Table 3 reports the classification of dependent variables under investigation across the

28 selected articles. The variables capture the different ways through which Related Party Transactions (RPT) are assessed in relation to their impact on corporate performance, reporting quality, and fiscal behaviour.

Table 3. Variable Dependent

Dependent Variable	Number
Earnings Management (AEM/REM)	8
Firm Value (Tobin's Q, ROA, ROE)	7
Earnings Quality	4
Tax Avoidance	2
Financial Reporting Quality	3
CSR / ESG Performance	2
Accounting Comparability	1
Sukuk Financing Preference	1
Total	28

The analysis finds that Earnings Management, either through accrual (AEM) or real activity manipulation (REM), is the most frequently researched dependent variables. These points to a widespread academic issue that RPTs are widely used as a vehicle for manipulating reported financial performance, especially in poor governance environments. Firm Value that ranked by indicators like Tobin's Q, Return on Assets (ROA), and Return on Equity (ROE) is the second most studied outcome, with 7 articles analysing how RPT affect long-term market valuation and operational efficiency. This finding attests to increasing interest in the overall economic effects of RPT and not merely accounting irregularities.

Earnings Quality and Financial Reporting Quality have 4 and 3 articles, respectively, and constitute a consistent although smaller research line that investigates in what ways RPT affects financial disclosures' reliability and transparency. Tax Avoidance appears merely in 2 articles, whereas its essential contribution to the focus of this research makes it shocking to see absent in so much more. There is, hence, a missing link in which the interaction among RPT and tax management action is under-elaborated and needs to be investigated further. Other dependent variables are CSR/ESG Performance (2 articles), Accounting Comparability, and *Sukuk* Financing Preference (each in 1 article), representing new themes of interest linking RPT to ethical finance, social responsibility, and financing style—especially in Islamic finance contexts.

Independent Variable

In order to map the predictors utilized to examine the impact of Related Party Transactions (RPT) on company performance, Table 4 presents the decomposition of independent variables extracted across the articles that were read. These variables represent essential concepts and contextual variables requiring the impact of RPT on firm performance, financial accounting, and taxation.

Related Party Transactions (RPT) itself is the lone independent variable, the central construct of all 28 articles (100%). This is a reflection of the main thrust of the review in understanding how RPT impacts corporate conduct and performance. Some research further separates the nature of RPT by adding RPT type to the model, differentiating Detrimental RPT (DRPT) and Beneficial RPT (BRPT), which came out in 4 studies. The distinction adds conceptual depth, observing that not all RPTs are harmful in nature but are driven by intent and management. RPT Intensity or Frequency and RPT Loans/Purchases were examined in 3 studies each, with more detailed measurements of transaction level or particular financial instruments within related party transactions. Beyond RPT proper, context and governance elements also play a key role. Ownership Structure was identified in 5 studies, indicating its importance in its role as a moderator or influencer of RPT implementation. Similarly, Board Characteristics, such as independence, diversity, and size, were analysed in 4 articles, indicating an internal control mechanism sense in motivating RPT behaviour.

Table 4. Variable Independent

Independent Variable	Number
Related Party Transactions (RPT)	28
RPT Type (DRPT vs. BRPT)	4
RPT Intensity/Frequency	3
RPT Loans / RPT Purchases	3
IFRS Adoption	1
Political Connections	2
Ownership Structure	5
Board Characteristics	4
ESG / CSR Disclosure	3
Audit Quality / KAM	2
Voting Rights	1
Institutional Environment	1
Total	57

Environmental and regulatory variables were addressed by ESG/CSR Disclosure (3 studies), Political Connections (2 studies), Audit Quality/Key Audit Matters (2 studies), and one instances of IFRS Adoption, Voting Rights, and Institutional Environment. Although these latter variables are less common, they highlight emerging aspects that deserve additional research attention. In total, the review found 57 independent variables, which means that while RPT is the core focus, it is often examined in combination with a dense set of governance, institutional, and strategic variables—reflecting the multidimensional character of RPT-related research.

Population and Sample

To mirror the geography of distribution of the reviewed studies and research contexts, Table 5 presents empirical analysis countries covered by the sample articles. Knowing the geographical scope assists in understanding how regional governing institutions, regulatory environments, and market maturity influence Related Party Transactions (RPT) studies and corporate taxation behaviour.

The sample distribution shows that the most research effort on RPT is in emerging and developing economies, with Iran (3 articles) and Indonesia (4 articles) leading in the number of published articles. This finding confirms the fact that countries with relatively less advanced governance structures and institutional mechanisms might offer fertile ground for the examination of opportunistic RPT activities and their impact on tax evasion and financial disclosure. Other countries with two or more studies are India (3 articles), and Malaysia, South Korea, Vietnam, and Italy (2 articles each). They are transitional economies and middle-income countries with actively evolving corporate governance reforms and disclosure practice—making them focal cases for studying RPT application.

Table 5. Sample Distribution

No	Country	Number
1	Indonesia	4
2	Iran	3
3	Malaysia	2
4	India	3
5	South Korea	2
6	Italy	2
7	Vietnam	2
8	United Kingdom	1
9	Spain	1
10	Brazil	1
11	Jordan	1
12	Hong Kong, Malaysia, Singapore, Thailand	1
13	Rumania	1
14	Pakistan	1
15	Saudi Arabia	1
16	Chile	1
17	Taiwan	1
	Total	28

Interestingly, few studies were conducted in the developed economies, such as the United Kingdom, Spain, and Hong Kong/Singapore/Thailand (1 article each). These studies are likely to concentrate on comparative institutional analysis or enforcement and investor protection mechanism differences. Individual-article submissions from Jordan, Romania, Pakistan, Saudi Arabia, Chile, and Taiwan offer a growing but so far limited interest in RPT in various institutional settings. The cases contribute to the literature by providing cross-regional findings and testing theory in various socio-economic settings.

Factors Causing the Inconsistency in Findings

In order to investigate the underlying causes of heterogeneous empirical findings in the literature, Table 6 presents the direction of effects—positive, negative, or no effect—of various independent variables on RPT-related dependent outcomes. The comparison reveals the heterogeneity of results, the complexity, and contextual sensitivity of RPT-related research.

Table 6 shows that variation in findings is primarily caused by heterogeneity of independent variables, contextual moderators, and measurement frames. For instance, Related Party Transactions (RPT) as the most frequently researched variable has positive and negative effects across different studies. Alhadab et al. (2020) and Nguyen Vinh Khuong et al. (2023) identify positive impacts, i.e., on efficiency or on tax

Table 6. Research Findings

No	Author	Independent Variable	Positive Effect	Negative Effect	No Effect
1	(Alhadab et al., 2020)	RPT	√		
		Ownership Structure			√
2	(Zimon et al., 2021)	RPT, Earnings Management, Internal Control		√	
3	(Fooladi & Farhadi, 2019)	DRPT		√	
		BRPT, Corporate Governance	√		
4	(Abigail & Dharmastuti, 2022)	DRPT, Stage Ownership		√	
		BRPT, Foreign Ownership	√		
5	(Gavana et al., 2024)	RPT, Family Firm, Board Characteristics		√	
6	(Thu et al., 2023)	Accounting Comparability	√		
7	(Khuong et al., 2023)	RPT, CSR	√		
8	(Bona-Sánchez et al., 2023)	RPT		√	
		Gender Diversity	√		
9	(Cesário et al., 2020)	RPT, Public Oversight		√	
10	(Majid et al., 2020)	RPT Intensity, Sukuk Preference	√		
11	(Almaqtari et al., 2022)	Board Independence		√	
12	(Saurabh, 2023)	Operating RPTs	√		
		Abusive RPTs		√	
13	(Rahmat et al., 2020)	RPT		√	
		Investor Protection	√		
14	(Wulandari et al., 2022)	RPT (Pre-COVID)		√	
		RPT (During-COVID)	√		
15	(Salehi et al., 2022)	RPT Disclosure		√	
		Human Capital	√		
16	(Pasc & Hategan, 2023)	Audit KAM, RPT Risk Disclosure	√		
17	(Rafay, 2022)	RPT Loans		√	
		Income Source	√		
18	(Tarighi et al., 2022)	Financial Distress		√	
19	(Nuritomo et al., 2020)	Tax Burden, Dividend		√	
20	(Chung et al., 2019)	Gift Tax Incentives	√		
21	(Kim & Jung, 2022)	CSR Soundness & Fairness		√	
22	(Gavana et al., 2022)	ESG Performance		√	
23	(Alsultan & Hussainey, 2024)	Ownership Structure		√	
24	(Mahenthiran et al., 2020)	Board Links, Audit Tenure	√		
25	(Wang et al., 2020)	IFRS Adoption	√		
26	(Supatmi et al., 2019)	RPT Receivables, Political Connections	√		
27	(Alhadab & El Diri, 2024)	Regulatory Environment	√		
28	(Li, 2021)	Voting Rights	√		

planning, while Zimon et al. (2021), Bona-Sánchez et al. (2023), and Rahmat et al. (2020) identify adverse effects on firm performance or on reporting quality. The quality of RPT also introduces variability. Studies like Fooladi & Farhadi (2019) and Abigail & Dharmastuti (2022) distinguish between Detrimental RPT (DRPT) and Beneficial RPT (BRPT), where DRPT usually has negative relationships and BRPT positive ones. This suggests that the intention and quality of the transaction play a significant role in determining outcomes. Ownership structure and board characteristics are also a source of conflicting results. In some contexts, they appear as risk factors facilitating opportunistic RPTs (e.g., Alsultan & Hussainey, 2024), while in others, they appear as countervailing governance safeguards (e.g., Investor protection in Rahmat et al., 2020).

Temporal and situational conditions also contribute to inconsistency. For instance, Wulandari et al. (2022) found RPTs performed negatively pre-pandemic, but switched to positive performance during the pandemic, which indicates that external crises could redefine firm strategy and managerial incentives towards RPT. Besides, the institutional and regulatory environments also drive outcomes. With some studies confirming that increased supervision of audits (Pasc & Hategan, 2023), regulator incentives (Chung et al., 2019), or IFRS adoption (Wang et al., 2019) bring about more revealing and valuable usages of RPT, its misuse occurs at higher likelihood with weaker institutional environments (e.g., times of financial stress or poor board independence).

4. Conclusion

This systematic literature review integrated the findings of 28 peer-reviewed articles between the period 2019-2024 to discover the role of Related Party Transactions (RPT) in corporate tax management, earnings management, and financial reporting quality. The review sought to reveal theoretical lenses, variables used, research methods employed, and inconsistencies in empirical findings in different institutional and geographic contexts. The findings highlight that RPT is a double-edged tool that often used opportunistically for profit and tax manoeuvring in weak governance environments but employed strategically for efficiency and resource optimisation under tight regulatory oversight. Agency Theory emerged as the most overarching conceptual framework supported by Stakeholder Theory, Resource Dependence Theory, and Institutional Theory, reflecting the multifaceted nature of RPT behaviour. Most of the studies placed their emphasis on investigation of earnings management and firm value as dependent variables, and RPT as the core independent variable, followed by ownership structure, board characteristics, and CSR/ESG disclosure as contextual variables. Although the studies were scattered across the globe, there was a concentration in emerging economies such as Iran, Indonesia, India, and Vietnam, indicating a high regional relevance of RPT problems. The heterogeneity of findings is driven by determinants such as the type of RPT (positive vs. negative), variations in regulatory environments, the presence or absence of robust governance institutions, and exogenous shocks such as the COVID-19 pandemic.

The heterogeneity of findings underscores context-driven interpretation and demands; future studies are encouraged to compare RPT practices across countries to understand how different regulations and governance systems influence outcomes. Sector-specific research is also important, especially in industries with frequent inter-entity transactions. Long-term studies can help capture changes in RPT behavior due to crises or policy shifts. Additionally, further research should examine how tools like ESG reporting and integrated reporting can help reduce harmful RPT practices.

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