

Reflection of Al-Ghazali's business ethics for tax consultants

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Abstract

Purpose - The purpose of this study was to explore the application of the values of Al-Ghazali Islamic business ethics to tax consultants in Indonesia and to compare them with the Indonesian Tax Consultant Professional Code of Ethics.

Method - This research approach uses phenomenology. There were 3 informants interviewed in the study consisting of tax consultants who are Muslim in Indonesia, fiscal authorities who are Muslim in Indonesia, and experts in the Islamic religion.

Result - This research gives the result that the principle of integrity can be expanded in terms of its definition and meaning with the mujahadah component in Al-Mizan, so that the integrity referred to here is trying to keep away bad traits that are prohibited in Islam. Moreover, on the concept of al ihya', tax consultants have a main orientation to profit and the motivation to help taxpayers is still limited to improving the image of their consulting services business.

Implication - The concept of Islamic Business Ethics by Al-Ghazali is a broader and deeper ethic so it is very appropriate if it is adapted to the Indonesian Tax Consultant Code of Ethics, especially regarding responsibility and motivation as servants of God.

Originality - This research is the first study that used a phenomenological approach in uncovering the reflection of the concept of Islamic business ethics by Al-Ghazali on the implementation of a tax consultant's code of ethics.

Keywords: tax; ethics; business; Al-Ghazali



Introduction

Ethical behavior is behavior that conforms to established norms, rules, and laws (Himmah, 2013). For tax consultants in Indonesia, the Indonesian Tax Consultants Association (IKPI, 2019) issues rules related to the code of ethics of tax consultants both in relation to clients, and professional relations and regulates the prohibitions and sanctions given for violating the code of ethics. The relationship between clients at IKPI is regulated in terms of professionalism, upholding integrity, dignity, and honor, and maintaining confidentiality in relations with clients. As well as related to the prohibition rules for tax consultants at IKPI, this is also explained in full, starting from the attitude of independence, not being allowed to serve as civil servants, employees of state-owned enterprises, or employees of regional-owned enterprises, even regarding promotions, not being allowed to advertise solely to gain client/customer. In the cases described regarding any prohibitions, there are also sanctions for violating them, ranging from verbal reprimands to revocation of licenses to practice as a tax consultant.

This study chose tax consultants and their code of ethics with a reflection on Islamic business ethics because tax consultants have higher ethical sensitivity than other professions (Dewi et al., 2018). It is because the expertise possessed by tax consultants can be misused to help taxpayers take advantage of opportunities to commit non-compliance (Erard, 1993). In the end, tax consultants have a dilemma condition caused by the existence of a code of ethics that must be adhered to and the factors they face, such as using loopholes in making tax planning, business continuity, concern for the state or taxpayers themselves or factors in the compensation given (Dewi et al., 2018).

In the Islamic paradigm, the ethics that must be built in the personality of a Muslim is the human relationship with God and fellow human beings. The presence of God is an important aspect so that in carrying out business activities, individuals will always remember that their responsibilities are not

limited to humans. This belief should be an integral part of every Muslim doing business.

In this case, it means that a tax consultant does not have to focus on the world to provide the best for clients, but professionalism and integrity remain the main things. Illegal actions that should not be carried out should be avoided by a tax consultant because everything that is done is not only accountable to the authorities but is accountable to God. Al-Ghazali in his thoughts about business economics is based on a *tassawuf* approach, namely with a *fiqh* and philosophical approach in believing in *yaum al-hisab* (day of reckoning), which he outlined in his work contained in the book *al Mizan and Ihya 'Ulum al-Din* (Karim, 2008:318). Islamic business ethics uses the business ethics approach initiated by Al-Ghazali as Sidani & Al Ariss (2015) state that Al-Ghazali's business ethics (BE) approach is suitable because it broadly combines the interpretation of revelation in Islam and reason in a spiritual context, so that it can be proactively used to initiate scientific updates on business ethics, especially among Muslims.

There is still very little previous research on the relationship between ethics and the concept of business ethics by Al-Ghazali. In fact, the research of Muslim philosophers can be something that can be used as a suggestion for formulating ethical code policies because of their approach which combines reason and religious teachings. The concept of business ethics by Al-Ghazali has been explored by several studies, namely by Sidani & Al Ariss (2015), Muhayatsyah (2020), and Zulianih et al. (2020) who say that the conceptualization of Islamic business ethics by the concept of Al-Ghazali is highly emphasized so that it can fill the void in the contribution of Muslim philosophers' thought. The principles taken in Al-Ghazali's writings, including *Al-Mizan* and *Al-Ihya* can be a reflection for individuals in carrying out business activities. In addition, Athoillah (2016) further revealed that Al-Ghazali's concept of Islamic business ethics is very important for the entrepreneurial spirit of students. From some of these studies, Al-Ghazali's concept was emphasized to be important to apply, but this research was still

general in nature and there was still no connection with a particular profession.

On the other hand, research related to the Tax Consultant Code of Ethics was conducted by Arvita & Sawarjuwono (2020) which said that to oversee the implementation of the Tax Consultant Code of Ethics in Indonesia, it is necessary to have synergy between the government and IKPI, so that it can oversee the running of tax consultant activities in Indonesia. The tax consultants themselves, Apostol & Pop (2019) said that tax consultants must use Ethical Logic or the Tax Consultant Code of Ethics in carrying out their functions and set aside commercial logic. From the two studies, there is still no link between the Tax Consultant Code of Ethics and other values, especially Islamic values. This linkage is important because the Tax Consultant Code of Ethics is an instrument or guideline designed to behave ethically so that the values of other principles are important to be reflected in the instrument. Research by Prajnasari (2020) links local wisdom, namely the nature of Gajah Mada which is reflected in the tax consultant. However, to the researchers' knowledge and as stated by Dewi et al. (2018), research on the experience of tax consultants is very rarely carried out and there is still no reflection of the value of spirituality associated with the tax consultant profession. From this research void, this study aims to reflect on the values of Al-Ghazali's Islamic business ethics as outlined in the concepts of *Al-Mizan* and *Al-Ihya'* to deal with the ethical dilemmas of tax consultants.

Literature Review

Tax Consultant Ethical Dilemma

Noviriani et al. (2018) said that tax consultants have different views, opinions, and awareness in overcoming ethical dilemmas when carrying out tax planning for their clients. It's called an ethical dilemma. The ethical dilemma of the tax consultant confronts the tax consultant to make an ethical considerations in making decisions. Rewards and business continuity are often a factor in taking ethical considerations. Therefore, a good ethical consideration by the tax consultant is expected to result in an ethical decision

in carrying out tax planning and avoiding ethical dilemmas. Previous research has examined a lot about ethical decision-making and ethical dilemmas in tax consultants. However, it is more dominated by only looking at the relationships and the influence of a variable (positive paradigm) on tax consultants but does not directly find out in-depth about the awareness of the tax consultant themselves.

Dewi et al. (2018) stated that the dilemma arises as a result of several factors such as the consequences of regulations that are in a gray area. Another factor is that the tax consultant has a sense of sympathy for his client. Furthermore, Deglaire et al. (2021) stated that personal interests often conflict with tax ethics so that dilemmas in this factor often occur. The dilemma that occurs in tax consultants in fact still cannot be resolved even though there is a tax consultant code of ethics. This is a sign that there must be a reflection of the added values that exist in the code of ethics for Indonesian tax consultants. Moreover, for Muslim tax consultants apart from reflecting general ethics and law, they must adhere to ethical concepts in Islam. Aside from being an identity, this Islamic ethics will be an investment of added value to minimize ethical dilemmas, especially for tax consultants who are Muslim.

Indonesian Tax Consultant Code of Ethics

Koerniawan (2013) said that professional ethics differentiates between various professions because professional ethics form a special characteristic that only one type of profession has. Meanwhile, The Indonesian Tax Consultants Association's mission is to make IKPI an independent and professional tax consultant association. The Indonesian Tax Consultant Code of Ethics regulates the Personality and Profession of Tax Consultants, Relations with Clients, Relationships with colleagues in the profession, Prohibitions, and Sanctions, Supervision, Complaints, Complaint Examination & Decision Making, Submission of Copy of Decisions, and Transitional Rules. The personality of a tax consultant according to the code of ethics is a person who fears God, is chivalrous, honest in defending justice and truth based on

high, noble, and noble morals, and in carrying out his duties upholds the law, the Constitution Republic of Indonesia.

The Tax Consultant Code of Ethics in its contents regulates in such a way, not only the relationship with the client but also the relationship with fellow professionals. However, all of this is embodied in the core values stated in the code of ethics. The values are integrity, professional, prudent, and confidentiality. Tax consultants are required to uphold their integrity, dignity, and honor. In this case, the integrity, dignity, and honor of a tax consultant are implemented by maintaining client trust and being honest and forthright without compromising the confidentiality of the recipient of the service. The consultant must also act professionally. Professionals in the tax consultant's code of ethics carried out by considering morals, being fair, correct, objective, and full of caution by maintaining knowledge in providing services and acting within the framework of service, and respecting the trust of the community and government. In addition, the tax consultant must also maintain confidentiality in relations with clients.

Al-Mizan & Al-Ihya': Al-Ghazali's Thoughts on Business Ethics

Business ethics sometimes refers to management ethics or organizational ethics, which simply limits its frame of reference to the conception of an organization (Beekun, 2004:3). Furthermore, ethics is interpreted as a moral principle that is used as a basis for behaving and acting to create positive values (Murtanto & Marini, 2003). Moreover, In the realm of Islamic thought, ethics is understood as morals, *al-adab* and *al-falasifah al-adabiyah*. The term closest to the term ethics in the Qur'an is *khuluq*. The Qur'an also uses several other terms to describe concepts related to goodness: *khayr* (goodness), *birr* (truth), *qist* (equality), *'adl* (equality and justice), *haqq* (truth and goodness, ma'ruf (knowing and agreeing), and *taqwa* (devout piety). A commendable act is called *sallihat* & a bad or reprehensible action is called *sayyi'at* (Beekun, 2004:3).

Al-Ghazali's view regarding the concept of Islamic business ethics contributes to great civilization in Islam but there are still not many studies

that examine his concept further. One of the studies that is used as a reference as well as discussing literature review studies is the research of Sidani & Al Ariss (2015). They said that the books of Al-Ghazali, *Al-Mizan* and *Al-Ihya'* are interpretations of revelation with a reason that can contribute to new developments in the science and practice of Islamic business ethics.

Al-Mizan or Criterion of Action (Al-Ghazali, 1989) has been mentioned by Al-Ghazali as a collection of ethical theories. Fakhry (1994:194) & Ghazanfar (2000) further add that *Al-Mizan* is a methodological reflection of Al-Ghazali's thought that reason alone cannot conclude ethical rules. On the other hand, that scripture contains a source of ethical knowledge. The main source of knowledge is Allah and one can develop the soul to the point where it becomes spiritually close to Allah. The path to morality lies in the unity of knowledge, which is given by fitrah (divine gift), or facilitated by God through one's actions, and through the exercise of reason. Therefore, the true happiness that must be sought is the happiness hereafter (akhirat). Moral development for the purpose of pursuing the hereafter then Al-Ghazali said it can be through two keys to the moral life, namely (1) *mujahadah*, which means the process of continuous struggle against the bad qualities of the soul; and (2) *riyadah*, virtuous by practicing virtue.

Subsequent to *Al-Mizan* by Al-Ghazali reflecting on the fundamental theory of ethics, the next focus is on his conceptualization of Islamic business ethics, or what is commonly referred to as the concept of '*Al-Ihya'*' (Sidani & Al Ariss, 2015). Four important points in the conceptualization of business ethics according to Revival of the Religious Sciences (Al-Ghazali, 1993) include: 1) Knowledge before Actions; In this concept, Al-Ghazali emphasizes that someone who works without knowing in advance about how to sell according to law, how to make contracts, how to avoid *riba*, or how to make legal partnerships, can accidentally commit many sins. Obeying the law is a key element of moral behavior, but obeying the law requires knowledge of it. 2) Maximization of Profits is not a Virtue; Al-Ghazali discusses orientation in working and earning a living. In Sidani & Al Ariss (2015), it is further said that maximizing profits is not a virtue and it is better for people to work only until

they meet their basic needs, without getting too involved in business by trying to get richer. Al-Ghazali explained that the purpose of doing business is to earn enough money for good sustenance and livelihood without unnecessary waste or savings. Moreover, the emphasis is again that Al-Ghazali emphasized that business should not divert anyone from performing the required worship.

3) Justice and Care for Stakeholders; In this case, Al-Ghazali emphasizes the ethical behavior of traders when trading. He explains how some contracts that meet all the legal requirements may actually still be full of violations. He referred to the golden rule, "do to others what you want them to do to you". He then elaborates the golden rule into several details in trade ethics, including (1) the seller may not exaggerate in praising the goods being sold; (2) the seller has a moral obligation to show the buyer all defects in the merchandise sold, whether real or not; (3) the seller must be honest in fulfilling the required specifications, especially in terms of scales; and (4) Fourth, the seller must ask for a price that is reasonable and not higher when approached by buyers who are not aware of standard commodity prices. 4) *Ihsan*, a Precursor to CSR? *Ihsan* here means that business transactions require something more than compliance with legal and market requirements. *Ihsan* is also the highest ethical point in Islamic ethics. Al-Ghazali stated that *ihsan* is doing what is good for others, beyond what is required by the rule of law. Therefore, *ihsan* requires the highest sincerity, one example can be by providing low prices for goods to help customers who are seen as needy and pressured.

Research Methods

A qualitative research method is used in this research. It is research that finds phenomena that occur and proves the findings of these phenomena (Ahmadi, 2017). This study uses data analysis techniques in a transcendental phenomenological approach to know the ethical commitment and the existence of natural attitudes that shape perceptions. The formation of this

perception will later lead to behavior in research subjects and generate meaning in that behavior.

The researchers conducted interviews by exploring the perceptions of the tax consultant who had studied ethical theory on the components of the Islamic Business Code of Ethics developed by Al-Ghazali. From the interview, the researchers identified noema (the objective side of the phenomenon) and noesis (the subjective side of the phenomenon). From noema and noesis, the researchers do bracketing or epoche to capture noesis as meaning. Further meaning (intentional analysis) was then carried out on the results of the epoche to explore deeper meanings by confirming the perceptions of other informants, namely the tax authorities and Islamic religious experts.

The informants used in this study were 3 informants who, according to the researchers, were able to represent the research. The 3 informants were chosen because they felt they were representatives of their respective perspectives, both from the consultant's side for their experience, from the tax authorities side for their experience dealing with consultants, and from the religious leader's side from a religious legal perspective. The first informant is a tax consultant who is a Muslim in Indonesia who studies business ethics. This informant was chosen because it is a tax consultant's point of view regarding the ethics of a tax consultant and the reality of her own experience. In addition, the reality of her experience is related to ethics in her opinion whether it is still within the realm of ethical ethics of tax consultants or out of that realm. After that, this personal experience is brought into Islamic ethics, more specifically in the concept of *Al-Mizan* and *Al-Ihya* by Al-Ghazali. The second informant is a cleric who also serves as coordinator of the secretariat of the Indonesian Ulema Council, East Java Province, Indonesia. This informant was chosen because he represents a religious expert who understands the meaning of Islamic business ethics in general and Islamic business ethics stated by Al-Ghazali. The existence of religious expert informants help researchers to facilitate an in-depth understanding of the ethical concepts of *Al-Mizan* and *Al-Ihya'* with the experience of tax consultants related to Al-Ghazali's business ethics. The third

informant in this study was one of the tax examiners at the East Java Directorate General of Taxes who had studied business ethics. This informant was chosen as one of the representatives of the tax officials in response to the statement of experience from the tax consultant informant. This response can also be referred to as data triangulation. Each experience of the tax consultant informant is triangulated with the statement of the tax examiner informant as the validity of the research data. Triangulation of the three informants are carried out on each theme and statement so that in the end it leads to eidetic reduction which is confirmed again through other data source epochs so that linkages and confirmations are answered.

Results and Discussion

Islamic Business Ethic

Islamic work ethic is an orientation that shapes or influences the involvement and participation of believers in the workplace (Ali & Al-Owaihyan, 2008). This is in line with Abeng's statement (1997) which says that Islamic principles lay the foundation for ethics that respect work and business activities. This states that within the framework of Islamic Business Ethics, existing principles by the Qur'an, sunnah, and ijma' scholars are used as the basis of ethics in conducting business activities.

Al-Ghazali (1058-1111) was a Persian Muslim scholar and philosopher. He was a philosopher and a critic of philosophers, which was embodied in early Islamic neo-platonism (Hourani, 1985). Al-Ghazali wrote his thoughts on Islamic business ethics in his book entitled 'Criterion of Action' which contains the basics of ethical theory (Al-Ghazali, 1989). In addition, he also wrote in his book entitled 'Revival of the Religious Sciences' which describes most of the thoughts on business ethics (Al-Ghazali, 1993).

Theme 1: *Al-Mizan* as the main principle of Islamic Business Ethics

Al-Ghazali's thoughts in his book *Al-Mizan* describe the main treatise or ethical principles according to Al-Ghazali which contains methodological reflections on his thoughts. He explained that reason alone cannot make an

ethical rule. Instead, he believed that the scriptures contained a source of knowledge. However, his writings include several references to the role of 'aql (reason), in which he considers the use of reason as the 'mediator' in Islam. In addition, he considered ethics to be the main science because a person who cannot control his soul will not be able to manage relationships with other people. Ethical knowledge begins with knowledge of the soul, when a person knows himself, in the end, he will know his Creator. The main source of knowledge is God and one can develop the soul to the point where it becomes spiritually close to God. The path to morality lies in the unity of knowledge given by nature or facilitated by God through one's actions and reason (Sidani & Al Ariss, 2015).

Al-Ghazali emphasized that the pursuit of happiness is the ultimate goal. However, in line with his religious foundation, he shows that the true happiness that must be sought is the happiness of the hereafter. Sidani & Al Ariss (2015) added that according to Al - Ghazali, the development of ethics is possible through two main actions, Mujahadah and Riyadah.

Mujahadah

Mujahadah has the meaning of a process of continuous struggle against the bad qualities of the soul in humans (Sidani & Al Ariss, 2015). This is in line with the statement of the religious expert informant, Mr. A who stated:

“Mujahadah is in the science of Sufism which means hard or earnest efforts to reach the highest level, namely how to know Allah, ma'rifatullah by eliminating bad qualities in him. Its application starts with repenting, regretting his actions, then being patient, sincere, and doing sincere.”

This statement implies that eliminating these bad traits must be carried out for every Muslim, including Muslims who work as tax consultants. This is because *Mujahadah* is a component of *Al-mizan* which is the basis or highest level. The bad qualities that exist in the tax consultant profession were stated by the tax consultant informant, Ms. K:

“It's manipulative... Most of it is manipulative and pressured by the client. I don't know what language that character is in, but what affects our bad qualities the most is the pressure from the client. Moreover, to deal with or

overcome these bad traits, because I adhere to the code of ethics that is already in effect in a tax consulting organization, therefore I warn myself not to do this.”

Ms. K argued that the bad nature of tax consultants is that they are manipulative. Manipulative occurs because of pressure from clients to reduce the tax burden. As a result, sometimes tax planning is carried out outside the limits, this is what is called manipulative. However, in minimizing this bad character, Ms. K always tries to tell herself to comply with the Tax Consultant code of ethics so that she can be firmer and not to commit manipulative acts. In confirming this, the informant from the tax officer, Mr. S provides his views and experience in dealing with tax consultants:

“During the meeting with the tax consultant, there were indeed several tax consultants who tended to commit tax fraud, such as shifting, so that profits were broken down into several parts which were reported in each Tax Deduction Receipt Number which they were still in one group. For example, reporting a tax return incorrectly, by imposing costs that should not be regulated in tax regulations. However, I have also met tax consultants who comply with taxes, they already understand the existence of tax planning which still complies with tax regulations so that the input given to taxpayers is by the applicable tax regulations.”

Mr. S shared his experience in dealing with tax consultants, namely, some still do shifting to reduce profits so that the tax burden becomes smaller and some even commit tax evasion. Even though there are some taxpayers who comply with tax regulations, there are several tax consultants who still practice bad behavior to the point of violating their code of ethics and tax regulations.

From the three informants, it can be seen that *mujahadah* is very important for tax consultants. The nature of *mujahadah* or self-cleaning from bad deeds must be interpreted deeply by a Muslim tax consultant, moreover, *mujahadah* is also reflected in the Indonesian tax consultant's code of ethics. The emphasis on the value of integrity in the code of ethics reflects the existence of *mujahadah*, so that it is realized by behaving honestly while still complying with applicable rules.

Riyadah

Sidani & Al Ariss (2015) state that riyadah is a process by which a person learns to be virtuous by practicing virtue. Apart from Muslims trying to avoid bad things, of course, they also have to increase the practice of virtue. Furthermore, the religious expert, Mr. A, defines riyadah as a form of charging virtue:

"It turns out that getting rid of bad traits is difficult, that's why there is such a thing as riyadah (exercise/steps) starting from light things, from intention, repentance (cleaning the intention first), then trying to get rid of envy, etc., and filled with bad qualities, vice versa (good nature)."

Mr. A assumed that *riyadah* will help Muslims to realize the *mujahadah*. By doing light virtues, the bad qualities will gradually decrease and will lead to the point of *mujahadah*. *Riyadah* must be implemented by Muslims, including those who work as tax consultants. Ms. K as a tax consultant gives the opinion that there are many good things that a tax consultant can do to avoid bad traits:

"The first is to help taxpayers report, deposit, and understand Indonesian taxation, where later the impact will have an effect on increasing compliance, then secondly increasing domestic tax revenue in Indonesia. In my experience, I have implemented it and I always apply it because it has an impact on two sides, from the state and taxpayer side. The impact on taxpayers is that they can be more compliant and reduce risks and sanctions received. On the government side, it can increase tax revenue in the country."

According to Ms. K, the good things that can be done by tax consultants in general are their services in helping taxpayers. Tax consultants can help communicate and bridge between taxpayers who do not understand tax regulations and the government which increases state revenues. In addition, with a tax consultant, the level of taxpayer compliance will increase and help the implementation of taxation run smoothly. These basic characteristics will help reduce the sanctions that taxpayers continue to receive for their

ignorance of taxes as well as a reflection of the code of ethics for Indonesian tax consultants in the integrity and professional section.

At the end of the day, *mujahadah* and *riyadah* will refine the form of responsibility (Al-Mizan) for tax consultants. Motivation from accountability will also have an impact on the strength to do *mujahadah* (avoiding bad traits) and *riyadah* (doing good).

“Al-Mizan is a scale, here it is interpreted as a form of accountability (as a measure or standard). It is important to apply in our lives, namely the concept. It means to display faith believed in the heart, spoken verbally, and proven (balance/accountability). Conversely, hypocritical behavior is not mizan (essentially different from what is conveyed). Therefore, the concept of al mizan must be applied by Muslims in order to get this goodness. Its basic practice is trying to be honest, telling what really happened is a form of mizan. Ar rahman walatuhsirul mizan (don't reduce your scales), so honesty is important. When someone is honest then it can be a consideration. Rasulullah is al-amin, then he becomes mizan, and becomes the determinant, so when he puts al-azwad the apostle becomes mizan.”

Mr. A considers that the highest form of motivation in accountability (Al-Mizan) is when a tax consultant or individual assumes that everything that is done will be accounted for in the afterlife and there will not be a single behavior that will escape the court in the future. Therefore, he considered that it was not only said orally and proven but also believed in his heart. When it is in the form of faith in the heart, then efforts to expel bad deeds (*mujahadah*) and do good (*riyadah*) will increase.

The response from Ms. K is that her accountability is in a horizontal relationship:

“The most important thing is both parties, first to the client and to the government. In addition, the tax consultant is also responsible for himself, because the tax consultant is a high-risk profession and must be responsible.”

In relation to the Tax Consultant Code of Ethics, this is represented by the principle of integrity. Tax consultants in carrying out their business activities must be honest and dignified, then Al-Mizan added purposefully. The Tax

Consultant Code of Ethics interprets the principle of integrity for the benefit of relationships with clients and with fellow professionals while Al-mizan emphasizes integrity as a form of accountability. This accountability is not only done to fellow human beings and the environment but also to God. Therefore, Al-mizan has a broader and deeper meaning of integrity to be interpreted and used in dealing with the ethical dilemmas of tax consultants.

Theme 2: *Al-Ihya'* as a Technical Approach to Business Ethics in Islam

Al-Ghazali's thoughts in his second book about *Al-Ihya'* explained the general approach to ethics. *Al-Ihya'* which contains thick references to 'the ethics of earning a livelihood' provides an important statement for business ethics. Reflecting on his ideological background and training, Al-Ghazali relies heavily on the Al-Quran and Al-Hadith. Apart from that, Al-Ghazali also often makes rational justifications for injunctions. This is one of the main reasons that this work has received high esteem and moral legitimacy throughout the Muslim world. The four main themes in *Al-Ihya's* approach according to Sidani & Al Ariss (2015) include Knowledge before Action, Maximization of Profits is not a Virtue, Justice, and Care for Stakeholders, and Ihsan, a Precursor to CSR.

Knowledge before Action

In Knowledge before Actions, Al-Ghazali said that the path to happiness begins with knowledge and action. To obtain relevant knowledge it is necessary for *muktaseb* (people who think with knowledge, after the process of thinking and propositions). In business, a person who works without prior knowledge of how to sell legally, how to enter into contracts, or how to avoid usury can inadvertently commit many sins. This was also emphasized by the expert on religion, Mr. A, regarding the importance of a knowledgeable Muslim in any profession:

"Knowledge is very important for a Muslim and is as fatidhatun (very fardhu). In fact, one may delay prayer (Isha') because of gaining knowledge. Knowledge is very high in Islam."

In tax consultants in Indonesia, the recognition of knowledge for tax consultants is one of them is a tax consultant certificate. To obtain this certificate, every tax consultant must pass the Tax Consultant Certification Examination. However, Ms. K as a tax consultant believes that having a degree alone is not enough to be said to be “knowledgeable” as a tax consultant:

“In my opinion, it is not enough just to pass a tax certification because a tax consultant also needs experience, and experience in working in the field of taxation to be considered a highly educated person. I started my career in Tax Consulting from the beginning, since I graduated from college, and I handled 4 clients that are not that big, with the aim of gaining experience and accompanied by certification.”

Ms. K is of the views that experience and flying hours are other factors that determine a tax consultant's said to have knowledge. This is due to the very dynamic nature of tax regulations it requires periodic updating of knowledge, one of which is gained by experience.

From the tax officer's side, Mr. S shared his experience with several tax consultants he met. There are several tax consultants who know in theory but cannot practice it, thus requiring the tax officer to socialize the application of the latest tax rules:

“There have also been several consultants who did not know about the existence of applicable tax regulations, but on average, this is for tax consultants who are older, but for new tax consultants, they are more updated regarding tax rules. However, with the understanding or implementation of the new tax rules, there are some who do not understand. In the end, they also consulted the relevant tax office, for example, there were regulations that they did not understand, so we from the internal Directorate General of Taxes as the regulator or tax authority in Indonesia provided socialization regarding the latest tax regulations to the tax consultant.”

This principle is represented by the principles of the Indonesian Tax Consultant Code of Ethics, namely professional and prudent. Tax consultants must have knowledge or competence so that clients or taxpayers who carry out consultations can be very well educated (Prajnasari, 2020). In obtaining these competencies, the tax consultant must have a professional nature. A

professional person must increase his knowledge to increase his knowledge in making decisions through his work (Noordegraaf, 2016). The more knowledge, the higher the caution of the tax consultant in choosing decisions, to produce the right decisions. In terms of knowledge, the knowledge here is not only in competence in general, but as a Muslim in particular, the tax consultant must also have knowledge of religious law regarding the profession he adheres to. This is because in Islam it is strictly prohibited for individuals who do not have sufficient competence and knowledge to occupy a particular profession. Therefore, individuals who have religious knowledge will try to increase their competence, so that their prudence in making decisions will also increase.

Maximization of Profits is not a Virtue

Maximizing profits is not an act that is by virtue. Al-Ghazali presents an opinion that contrasts with profit maximization which is highly emphasized in modern economic theory. Profit maximization is not a virtue; it is better for people to work only until they meet their basic needs. Al-Ghazali explained that the purpose of doing business is to earn enough sustenance for a good living without unnecessary wastage or savings. By doing business, one must always have the intention of not depending on others for one's livelihood. Therefore, Al-Ghazali emphasized that there is more to life than just making money. Concern for God and the hereafter must be a top priority. In realizing this concept, the religious expert informant, Mr. A, shared his views on the concept of sustenance in Islam:

"Fortune is a matter of the heart if there is no quantity. Rasulallah said if someone is given a mountain of gold, it is still lacking (hadist). Therefore, the Prophet conveyed that real wealth is the heart (hadist), "accepting", he is the richest person. The behavior of people if the salary is small, then their behavior is mediocre. If the salary is big, the waste eventually results in less receiving. So, it must be regulated in its behavior."

Religious informant, Mr. A, considers that the concept of sufficient sustenance exists in the hearts of each individual. Humans will not be satisfied

with what they get. Therefore, in looking at sustenance, two things must be controlled; heart and behavior. Even though the salary received is not much, the heart and behavior are kept away from consumptive things, so the concept of sufficient sustenance will be implemented and will automatically distance it from the orientation concept of gathering as much sustenance as possible which will have an impact on justifying all kinds of methods.

The concept of sustenance is no exception to the tax consultant profession. A tax consultant who is very money-oriented will carry out tax evasion to minimize the tax burden to meet targets and pressure from his clients. However, the tax consultant informant, Ms. K, has a different view on the concept of sustenance:

“In my opinion, it is not wrong to be oriented towards profit, as long as it is still considered by the applicable regulations, does not justify any means, does not carry out illegal consultations, and still respects both parties, between the client and the government or tax authorities.”

A statement from Ms. K indirectly implies the adequacy of his sustenance. She does not justify any means and something illegal is a limitation that will actually be violated when the tax consultant is very material oriented.

Although none of the several principles in the Tax Consultant Code of Ethics match this principle, referring to the principle of Maximization of Profits is not a Virtue, the principle of integrity is a principle that is a little closer to this principle. It is fitting that a Muslim and a tax consultant do not have the main goal of maximizing profits. This will result in activities that were originally legal (tax planning) becoming illegal activities (tax evasion and tax aggressiveness). Therefore, the principle of Maximization of Profits is not a Virtue that becomes a benchmark but a reminder for tax consultants not to overdo it so that they carry out illegal activities which injure the tax consultant profession. When the tax consultant believes in these principles, the tax consultant already has good principles, so this tends to be the term integrity in the Tax Consultant Code of Ethics.

Justice and Care for Stakeholders

Al-Ghazali explains how some contracts that fulfill all legal requirements are still full of violations. He referred to the golden rule, "do to others what you want them to do to you," showing how doing so will help avoid mistakes in business and give sufficient consideration to other parties in business transactions. For tax consultants, one of the efforts to help taxpayers is through tax planning activities.

Tax planning still has pros and cons. Finley & Stekelberg (2016) state that all tax consultants still do not apply the principle of integrity. Tax planning is still carried out by several tax consultants so that client tax savings can be achieved. This ends with the tax consultant being able to earn a good reputation. However, on the other hand, tax consultants have their own reasons for how tax planning is considered something that "helps" taxpayers while not following the applicable tax regulations. The positive form of tax planning was revealed by the tax consultant informant, Ms. K:

"In my opinion, tax planning is a form of justice for taxpayers, because on the one hand, taxpayers do not know about tax regulations and the tax authorities demand taxpayers to comply, so the tax consultant as a mediator tries to carry out a tax plan to balance compliance, obligations, and taxpayer rights."

On the other hand, tax planning is an activity that is still being debated in Islam. This activity is considered to violate Islamic principles because it is detrimental to the state, but on the other hand, other opinions argue that this activity does not violate because it can assist taxpayers in dealing with the imposition of taxes that are not supposed to be imposed. In this case, the view of the religious expert informant, Mr. A thinks that tax planning that is not allowed is detrimental to the state:

"So if there is an element of lying then it is engineered, then it is considered inappropriate. Usually, when it comes to taxes, try to avoid taxes and then ask for a consultant. Consultants as experts give advice. This is something that is not quite right. This means that the honesty of the taxpayer is lacking. Therefore, there are tax consultants who are "not sharia", if in Islam it is certainly not allowed to be detrimental. If the state has the need to develop,

it will be detrimental to the state. These consultants should indeed be people who understand religious knowledge so that they then advise taxpayers. Paying taxes is part of a citizen's obligation with the intention of giving alms, so that then the financial statements already have taxes, so they are free from the sadaqah."

Mr. A thinks that a tax consultant should be someone who understands and understands muamalat. This is intended so that when providing his services the tax consultant can refrain from leaving the applicable tax regulations.

In the view of the tax official, tax planning is a reasonable and legitimate one. These activities can be carried out as long as they do not turn into tax evasion or exit tax regulations. This was conveyed by the tax officer informant, Mr. S:

"In my opinion, as a tax officer or tax officer, as long as tax planning is still in the corridor of tax rules, then, in my opinion, it is not included in terms of causing harm to the state, because if we understand tax planning in general, it is the efforts of taxpayers who may be assisted by consultants. On average, they do tax planning with loopholes or gaps in tax rules that can still be used, especially if they have heard the terms fixed differences, temporary differences, then some costs can be paid, and so on. There are several techniques in tax planning, but the key is that as long as tax planning is still by the applicable tax regulations, in my opinion, it does not constitute a loss to the state's finances."

This principle represents the principles of the Tax Consultant Code of Ethics with the principles of integrity and confidentiality. Integrity is a person who is honest and has a strong character, so the tax consultant will uphold this character under any circumstances. Included in the principle of Justice and Care for Stakeholders, a tax consultant who has high integrity is a tax consultant who is fair, both when providing consulting services to taxpayers regarding taxes that should be paid and when the tax consultant carries out tax planning and submission to the Directorate General of Taxes by the facts and rules that apply. A tax consultant with integrity means also having the principle of fairness and not taking sides with anyone under any circumstances. Not on the side of the client to do beyond the limits of tax

planning that crosses the limits of tax rules. As for confidentiality, the tax consultant must have the nature guarding of all of his client's data against any interests that are not involved in the taxpayer's taxation process. A taxpayer consultant who adheres to the principle of prudence means that he has fulfilled the principle of care for stakeholders. The tax consultant will think that responsibility is not only between humans but also with God.

***Ihsan*, a Precursor to CSR**

Al-Ghazali uses the word *ihsan* or virtue to mean that business transactions require something more than compliance with legal and market requirements. Al-Ghazali relates to corporate social responsibility—CSR when he discusses business responsibility towards others who are facing difficulties. Al-Ghazali shows that *ihsan* is doing what is good for others, beyond what is required by the rule of law. Religious informant, Mr. A, then discussed further *ihsan*:

“Ihsan (doing good), in Islamic terms, ihsan is associated with worship, worshipping Allah as if we see him. Well, in another language, other ihsan can be said to do good to those who do evil to us. Not looking at who has done something bad to us, but looking at his god. In essence, do not expect anything in return from anyone.”

Mr. A viewed *ihsan* as a high vertical or horizontal relationship. The intention to achieve *ihsan* is to only hope for the pleasure of Allah. Therefore, if someone helps others or worships only to please Allah, then it can be said that the individual is reaching the point of *ihsan*.

In the tax consultant profession, the level of *ihsan* can be done by helping taxpayers without expecting any reward or reply. Tax Consultants have the intention of helping to expect the pleasure of Allah. This practice was once carried out by a tax consultant informant, Ms. K during his time doing tax consulting services:

“I have provided tax consulting services and I intend it to be in the form of a free trial. Because sometimes people see that I'm still very young, the

taxpayer or client's assumption is that I can't be as good or as well experienced as other tax consultants. So, I tell my clients 'you don't have to pay first, you see my results first, then you pay me later.'

From this statement, the motivation that Ms. K is to build his business has not yet reached the point of definition of *ihsan*. As a young tax consultant, she offers several free services to her taxpayers to see their performance, so that she can build trust in clients and will have a positive impact on her career as a tax consultant in the future.

Prajnasari (2020) states that a tax consultant has consistent integrity if in carrying out his professional ethics he adheres to the principle of defending himself, the nation, and the state. This is by the principle of *Ihsan*, a Precursor to CSR, which states that the activities of the business profession, not only comply with legal and market requirements. This principle is represented by the Tax Consultant Code of Ethics, namely integrity. When carrying out consulting services or tax planning, a tax consultant must consider his social responsibility towards the environment and the country.

Although there is no data regarding the number of consultants who apply and who do not apply this principle, there are several articles that provide the reality of tax consultants using this principle. Christian & Susanto (2021) said that tax consultants see the perception of the importance of ethics and social responsibility as important, thereby suppressing Machiavellianism. On the other hand, Dewi et al. (2018) stated that there were some consultants who were unable to resolve their dilemma. Eventually, the concept of integrity represented to fulfill *Ihsan* is still not fully sufficient. This is because *Ihsan* is a social responsibility that does not only exist in the environment and the country but also feels that he has a responsibility to himself and his God. Therefore, the reward becomes the number in the concept of *Ihsan*. As for integrity, it is still between them and the state.

Conclusion

Tax consultant is a profession that is closely related to clients, the government, and the profession. Even though it already has a Tax Consultant Professional Code of Ethics, it seems to be lacking in how humans behave toward their God, which will later benefit their own behavior. Therefore, this limitation sometimes makes one of the Tax Consultants still violate the code of ethics. Al-Ghazali then provided two concepts of Islamic business ethics, namely named *Al-Mizan* and *Al-ihya'*. These two concepts not only cover the business code of ethics among humans but also the relationship between humans and Allah in Islam.

This research gives the result that in realizing the concept of *Al-Mizan*, in general, tax consultants can help communicate and bridge between taxpayers who do not understand tax regulations and the government. However, there are still a number of tax consultants who tend to commit tax fraud, such as illegal shifting. It is then important to note that the principle of integrity can be expanded in definition and meaning with the *mujahadah* component in *Al-Mizan*, so that the integrity referred to here is trying to keep away bad traits that are prohibited in Islam. Furthermore, in realizing the concept of *Al-Ihya'*, there is an emphasis on the components of 'Maximization of Profits is not a Virtue' and 'Ihsan, a Precursor to CSR'. These two components are components that still do not have a definition close to several principles of the Indonesian Tax Consultant Code of Ethics. This is reflected when one of the informants of this study, namely a tax consultant, stated that a profit-oriented tax consultant is not a problem. This statement will be a standard that if profit orientation becomes the first orientation, then consideration of good and bad traits will become the second number which could result in a collision later with environmental ethical and moral values. Moreover, on the concept of 'Ihsan, a Precursor to CSR' the tax consultant states that the main motivation in helping taxpayers by providing a free consultant is to expect trust from the client in the future. Therefore, 'The Maximization of Profits is not a Virtue' and 'Ihsan, a Precursor to CSR' are very important materials for reflection to be interpreted by every tax consultant because as a Muslim, profit orientation is

not the main orientation and it can destroy a Muslim's faith at the end. In addition, the motivation to help people is not only self-righteous but also hoping for Allah's blessing so that it will have an impact on making a much better consultant decision as a Muslim.

This research provides the benefits of Islamic business ethics as a reflection for them as tax consultants, especially for Muslim tax consultants. This research also proves the importance of the concept of Islamic business ethics by Al-Ghazali considering that the tax consultant informants in this research still do not meet the criteria for Islamic business ethics. The concept of Islamic Business Ethics by Al-Ghazali is a broader and deeper ethic so it is very appropriate if it is adapted to the Indonesian Tax Consultant Code of Ethics, especially regarding responsibility and motivation as servants of God.

The limitation of this study is the informants. Informants are only limited to one experience of a tax consultant and its meaning with the principles of Al- Ghazali's business ethics. This makes this research not rich in the experience of tax consultants with different backgrounds. In addition, limitations also exist in the absence of informants who develop the Tax Consultant Professional Code of Ethics. This makes researchers limited to understanding and interpreting the principles of the Tax Consultant Professional Code of Ethics by reading the instrument and from the perspective of the Tax Consultant in general. For further research, it is suggested to add Tax Consultant informants who have specific specifications or experience in the religious field. It will make the meaning of both the Tax Consultant Professional Code of Ethics and Al-Ghazali Business Ethics richer and can be developed further. Moreover, researchers can also add informants who compose or develop the Tax Consultant Professional Code of Ethics so that they have a deep, rich and complete meaning of the principles in the Tax Consultant Professional Code of Ethics in Indonesia.

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