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The Right of Access to Taxpayers' Information in the Legal Systems of Iran and France

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ABSTRACT

This article provides a comparative analysis of the right of access to taxpayers' information and examines how a balance can be achieved between the state's authority to access information and the taxpayers' right to privacy in the legal systems of Iran and France. The findings of the study indicate that France, supported by a historically rooted and well-structured legal framework, has adopted a balanced approach. In France, although the tax administration enjoys broad powers to access information, such powers are restricted by strict principles such as the "principle of proportionality," "respect for the right of defense," "prior notification to the taxpayer," and "judicial oversight." These restrictions are reinforced by higher-level legal instruments such as the European Union General Data Protection Regulation (GDPR) and binding charters on taxpayers' rights. In contrast, the Iranian legal system—largely based on ordinary legislation—grants the Tax Administration extensive and comprehensive powers to access taxpayers' information but suffers from serious shortcomings in establishing robust legal safeguards and independent oversight mechanisms to protect taxpayers' privacy. This imbalance is also evident in the structure of the tax dispute resolution system in both countries. In Iran, dispute resolution bodies such as the Tax Dispute Settlement Boards face challenges regarding their independence and impartiality due to their institutional dependence on the Tax Administration. Moreover, the multiplicity of appeal stages creates a lengthy and costly process for taxpayers. Consequently, the article recommends that Iran's tax system, drawing inspiration from the French experience, should focus on strengthening independent supervisory institutions, enhancing procedural transparency, drafting clear and uncomplicated legislation, and, most importantly, establishing an independent, specialized, and efficient tax adjudication system. Such reforms would help achieve a sustainable balance between fiscal efficiency and the protection of taxpayers' rights.

Keywords: *Right of access to information, taxpayer, Iranian legal system, France*

Introduction

In the contemporary world, an efficient tax system constitutes the backbone of the fiscal capacity of welfare states and the provision of public services. One of the fundamental pillars of such a system is the government's ability to access comprehensive and accurate information regarding the economic activities of individuals and legal entities (1). The phenomenon of tax evasion and the underground economy—stemming from informational opacity—represents one of the greatest challenges facing these systems. Consequently, legislators have sought to strengthen the "right of access to information" by granting broad powers to tax administrations (2, 3).

The right to privacy and the confidentiality of commercial information are among the fundamental rights recognized in international instruments and the constitutions of most countries (4). Unauthorized disclosure of tax information can cause irreparable damage to taxpayers' commercial reputation, competitive position, and personal life. Therefore, the key question arises: *What are the limits and boundaries of the Tax Administration's right of access to taxpayers' information, and how can a proper legal balance be established between the state's fiscal needs and the taxpayer's right to privacy?* (5).

This issue has been addressed differently in the legal systems of Iran and France due to their distinct historical backgrounds, intellectual foundations, and institutional structures. A comparative examination of these two systems is not only of academic importance but can also offer practical strategies for reforming and strengthening existing laws and procedures, particularly within the Iranian legal system (6, 7).

Taxpayer rights have been recognized since the emergence of the principle of the legality of taxation and the development of modern taxation in the contemporary world. It must be acknowledged, however, that the term *tax* here is used in its broad sense, encompassing taxes *sensu stricto*, duties, and quasi-taxes, as all share the element of compulsion and are established by law. Duties, unlike taxes, have a direct relationship with the provision of services and are collected from specific users of those services (8).

In Iran, the right of access to taxpayers' information is primarily based on ordinary legislation and is not explicitly mentioned in the Constitution. The most important legal instruments in this regard include the *Direct Taxes Act* (adopted in 1987 with subsequent amendments), the *Act on Regulating Certain Financial Provisions of the Government* (2001), and the *Law on the Dissemination and Free Access to Information* (2009) (9). Article 169 (repeated) of the *Direct Taxes Act* (added in 2015) is one of the most critical provisions in this area. According to this article, the Iranian Tax Administration may access all tax, banking, commercial, and economic data and documents of taxpayers held by third parties (such as banks, companies, and government institutions). This access has been described as comprehensive and far-reaching. Moreover, Article 186 of the same Act obliges taxpayers to retain income and expenditure records for ten years, forming the legal basis for direct information requests from taxpayers themselves (3).

Taxpayer rights, considering the broad and unique powers of the Tax Administration in the assessment and collection stages, represent one of the most crucial aspects of tax law (10). According to Article 1 of the *Direct Taxes Act*, any natural or legal person obligated to pay taxes is deemed a taxpayer, and taxpayer rights refer to the legal entitlements that must be protected throughout all stages of the tax process. These rights must be supported by sufficient and effective legal guarantees. In some countries, including France, tax legislation explicitly provides that failure to notify and explain these rights renders the audit invalid (11). Moreover, effective mechanisms for monitoring compliance with taxpayer rights have been established, such as the creation of a *Taxpayer Ombudsman* in certain jurisdictions, whose primary role is to assist taxpayers in resolving complaints against tax authorities and to submit reports directly to the head of the Tax Administration (12).

In Iranian tax law, because taxpayer rights have not been systematically or coherently codified, the enforcement mechanisms are not clearly defined (13). Therefore, reference must be made to the general enforcement guarantees provided by law. The *Direct Taxes Act* has established specific supervisory bodies to monitor compliance by tax officials, including the *Tax Disciplinary Prosecutor*—responsible for investigating and prosecuting administrative violations by tax officers—and the *High Disciplinary Board*, which serves as the principal authority for adjudicating such violations. The general oversight exercised by these bodies can extend to ensuring compliance with taxpayer rights (14). In particular, Clause (a) of Article 265 of the above Act states that a complaint by an interested party regarding non-compliance with legal provisions is one of the grounds for initiating an investigation by the *Tax Disciplinary Prosecutor*. Undoubtedly, the primary interested party under this provision is the taxpayer, who may file a complaint concerning violations of tax law or infringement of their legal rights by tax officials. Furthermore, Clause (b) of Article 264 of the same law authorizes the Prosecutor to investigate the ethical conduct and professional behavior of tax officers (1).

Additionally, Article 270 of the same Act prescribes administrative sanctions for violations by tax officers in ways that support taxpayer rights. Under Clause 1 of this article, the intentional or negligent overestimation of a taxpayer's income without due consideration of supporting evidence or adequate investigation constitutes an offense punishable by suspension from public service for a minimum of three months and a maximum of five years (2). Likewise, under the final part of Clause 2, tax officers who reopen previously concluded cases may, by decision of the *High Disciplinary Board*, be suspended from service for one to four years. In cases where officers intentionally submit false reports leading to the prosecution of innocent taxpayers, they may be sentenced by the judiciary to imprisonment ranging from six months to two years (10). The same applies to any tax officer who, after issuing a tax assessment notice, demands additional taxes without obtaining valid supporting evidence or beyond the limitation period (3).

It is worth noting that, in the past, under the *Value-Added Tax Act* (2001), Article 32 stipulated that violations by tax officers were subject to the same rules as those under the *Direct Taxes Act* (as amended on February 16, 2002). This rule has since been reaffirmed in Articles 55 and 56 of the *Value-Added Tax Act* (adopted on May 23, 2021), thus extending the same disciplinary framework to VAT administration (9).

The French legal system, with its long-standing tradition of fiscal administration, adopts a highly structured and precise approach to the right of access to taxpayers' information (6). This approach is articulated within statutory provisions and strongly shaped by the jurisprudence of the *Conseil d'État* (Council of State) and administrative courts (7). The right of access in France is mainly regulated under the *General Tax Code* and the *Book of Tax Procedures*. Article 16 of the French Tax Code authorizes the tax administration to access all documents and information held by third parties for the purpose of assessing a taxpayer's fiscal position. This right also extends to digital data and computerized systems (15). However, France imposes strict limitations on this power based on the principles of proportionality and respect for the rights of defense. By law, any audit or verification procedure must be preceded by prior notification to the taxpayer. Moreover, the French Constitution and the European Convention on Human Rights, to which France is a party, serve as firm legal guarantees for the protection of privacy against state interference (16).

France also employs highly integrated and advanced information systems. The *ProFi France Unified System (PFU)*—an integrated mechanism for value-added tax administration—is a prime example, enabling the automatic exchange of information between businesses and the tax administration. This innovation has enhanced the efficiency of tax control while simultaneously protecting confidentiality by reducing direct contact between tax officers and raw taxpayer data (17). Furthermore, strict data protection regulations under the European Union's *General Data Protection Regulation (GDPR)* directly oversee the French Tax Administration's actions (18).

The necessity of ensuring taxpayers' awareness of their rights, as well as the importance of education and communication in this regard, has been strongly emphasized by legal scholars (11). The tax administration must inform taxpayers of their rights prior to any audit or assessment procedure and provide a comprehensive description of these rights. This can be achieved through the publication of a *Taxpayer Rights Charter* or handbook, as implemented in several countries (5). In Iran, similar initiatives have recently been developed; however, effective implementation requires coherent drafting, periodic training programs on civic rights, and public awareness campaigns through mass media, particularly national broadcasting. Expanding public knowledge of fiscal and tax law remains a key factor in safeguarding taxpayer rights (19).

The present study aims to conduct a comparative analysis of the right of access to taxpayers' information and the balance between fiscal efficiency and the protection of taxpayers' privacy within the legal systems of Iran and France.

Right of Access

Freedom of information, or the right of access to existing information held by public institutions, was first formally recognized in 1766 under Sweden's *Press Act*, initially established for the benefit of journalists (4). However, the broad acknowledgment of this right—both internationally and nationally—occurred during the second half of the twentieth century. With the emergence of a new interpretation of the right to freedom of expression in the late 1970s, known as the "right to be informed," many democratic governments gradually became obliged to make diverse types of information available to the public in order to promote transparency in their operations (18). Some legal scholars have even identified the right of access to information, due to its intrinsic link with freedom of expression, as one of the fundamental human rights (18).

Access to information within government agencies not only facilitates citizen participation in public decision-making and administrative oversight but also plays a significant role in combating administrative corruption (20). Consequently, no government today can legitimately deny citizens' right of access to public information or reject the principle of administrative transparency and accountability as fundamental to good governance. The more delayed and costly public access to information becomes, the less transparent that society is perceived to be (20).

The Tax Administration and the Determination of Its Powers

After drafting and implementing the executive bylaws of the *Act on the Integration of Local Charges*—which abolished multiple levies on manufacturing entities and required them to pay taxes only once—the Iranian National Tax Administration (INTA) took an important step toward reducing bureaucratic inefficiency in tax collection. Continuing this policy, the organization began preparing executive methods and procedures for the *Value-Added Tax (VAT)* system, requiring comprehensive technical and legal assessments (3). Determining different production processes was part of these preliminary steps. Effective implementation of the new tax regime demanded extensive software and hardware infrastructures as well as the training of skilled human resources—a process that INTA has since pursued actively. The *Value-Added Tax Act* (adopted in 2008) complemented the reformed *Direct Taxes Act* and the *Act on the Integration of Local Charges*, marking a major step toward establishing a comprehensive and modern tax system in Iran (9).

The implementation of VAT relies heavily on information technology to build a system aligned with modern global standards. Consequently, training tax employees has become a top priority. Skilled personnel familiar with digital and communication technologies are essential to achieving the organization's strategic objectives. Accordingly, shifting the tax base toward indirect taxation rather than direct taxation has become one of INTA's long-term policy goals (10).

In 2002, the share of tax revenues in Iran's general budget was about 26 percent, a figure considered inadequate given the country's significant untapped tax potential. Compared with other nations, Iran's tax revenues remain relatively low. The adoption of VAT and related initiatives by the Tax Administration are aligned with the broader national policy of managing the economy independently of oil revenues. Promoting tax culture and public compliance, alongside passing necessary legislative reforms, are therefore essential to achieving this objective. It should also be noted that the Tax Administration has recently developed a *Comprehensive Tax System* aimed at protecting taxpayer rights and modernizing the fiscal structure, within which it has delineated the scope and authority of the tax administration (1).

Principles Governing Taxpayer Rights in the Iranian and French Systems

Respect for taxpayers' rights by fiscal authorities is of such importance that it has been recognized as one of the essential principles of ethical management within modern public administration theories (19). Adhering to these principles fosters taxpayers' trust and, consequently, enhances their voluntary cooperation and compliance.

Taxpayers enjoy a range of civic rights directly related to the tax administration, including the right to record statements and attend meetings, the right to confidentiality and non-disclosure of personal data, the right to notification, the right not to be double-taxed, the right to fair treatment, the right to be informed and to receive clear explanations, the right to invoke the statute of limitations, and the right to reasonable audits (14).

Under Article 1 of Iran's *Direct Taxes Act*, any natural or legal person obligated to pay taxes is considered a taxpayer. Article 128 extends this definition to others who are legally required to pay taxes on behalf of themselves or others, and such persons are treated as taxpayers under the law (3). Accordingly, the powers of the Tax Administration will remain ineffective without attention to taxpayers' reciprocal rights, as recognition of these rights fosters public trust and encourages voluntary compliance (14).

The Principle of Legality of Taxation

From the perspectives of management science, law, economics, and sociology, consideration of taxpayers' rights plays a crucial role in achieving the strategic goals of tax organizations (13). The delegation of extensive powers to tax authorities originates from the doctrine of *public power prerogatives* in public law and from the notion of *fiscal sovereignty* in tax law (8).

Taxes are one of the main sources of public revenue, forming more than 30 percent of the national budget in recent years. Taxes are compulsory, non-compensatory, and non-refundable payments demanded by the state for public purposes (3). In legal theory, a tax is defined as money or property collected by the government from individuals or entities under statutory authority to finance public expenditure. Generally, taxes have four main features distinguishing them from duties or fees:

1. **Exclusive authority of the state:** The collection of taxes is reserved solely for the state, while duties may be collected by municipalities or other institutions depending on their purpose.
2. **General expenditure:** Unlike duties, which are earmarked for specific services, tax revenues are generally used for overall public expenditures.
3. **Non-compensatory nature:** The benefits received by taxpayers from public services may not correspond to the amount they pay.

4. **Legality:** No tax may be imposed without explicit statutory authorization. This requirement is enshrined in the constitutions of most countries, forming the cornerstone of the *principle of legality in taxation* (11).

The application of this principle varies among jurisdictions. For instance, in Sweden, tax rules must be enacted before any taxable activity occurs. In the Netherlands, tax laws, judicial decisions, and administrative policies are published in specialized journals to ensure transparency (12). In the United Kingdom, tax laws generally take effect on the date of publication (2). It should be noted that the enforcement of any tax statute becomes binding only upon its publication in the official gazette (17).

The Principle of Transparency and Access to Information

A major and persistent problem in the Iranian tax system concerns the lack of transparency in tax legislation, which undermines the observance of taxpayers' civic rights and impedes impartial judicial review aimed at protecting taxpayers' legitimate interests (14). Although the observance of citizens' rights and fair adjudication procedures in quasi-judicial tax bodies have been emphasized in Iran's Constitution, the practical implementation remains limited (14).

Among the most significant components of citizenship rights is the *right of access to public information*. A taxpayer should have the right to be informed about the methods and procedures used to determine taxable income, the decisions of tax dispute resolution boards, and any enforcement actions taken against their property. Tax authorities are legally obliged to provide such information upon request (20).

The importance of transparency and access to information is explicitly reflected in several provisions of Iran's *Direct Taxes Act (Amended)*—notably Articles 237, 240, and 248—which stipulate the taxpayer's right to access and review information from relevant authorities. For instance, Article 240 provides the right to attend hearings for clarification of assessment decisions, while Article 248 requires that the reasoning behind decisions of the Tax Dispute Resolution Boards be clearly stated (3, 14).

In France, the tax system places strong emphasis on transparency and taxpayers' access to information. The *Taxpayers' Charter*, introduced in 1986 and subsequently incorporated into law in 1987, explicitly sets out the rights of taxpayers throughout the audit process. This charter ensures that taxpayers are aware of their rights and able to exercise them effectively (6). Furthermore, official government websites provide taxpayers with comprehensive and up-to-date information on their fiscal obligations.

In Iran, similar initiatives have been pursued to enhance transparency and access to information, such as the publication of the *Charter of Taxpayer Rights* and the development of electronic service portals within the Iranian National Tax Administration. Nevertheless, significant challenges remain, including the lack of full taxpayer awareness of their rights and the complexity of existing legislation, which continue to hinder effective access to information (1).

Privacy in Tax Assessment

Protection of personal privacy is a matter of universal concern, and all governments strive to safeguard it. However, when states exercise broad fiscal powers for taxation purposes, conflicts may arise between governmental action and the protection of individual privacy. The right to privacy is among the fundamental human rights enshrined in the constitutions of democratic societies and recognized in international human rights instruments, notably the *European Convention on Human Rights (ECHR)* (15). This convention, which forms the cornerstone of fundamental rights protection in Europe, serves as a guide for the European Court of Justice and national authorities in safeguarding personal data under secondary legislation (16).

The ECHR explicitly guarantees in Article 8 the "right to respect for private and family life." Under this provision, every individual is entitled to respect for their private and family life, home, and correspondence. Public authorities may not interfere with the exercise of this right except as provided by law and when necessary in a democratic society for reasons such as national security, public safety, the economic well-being of the country, prevention of disorder or crime, protection of health or morals, or the protection of the rights and freedoms of others (7).

The concept of privacy encompasses four main dimensions:

(a) **Private life**, which includes elements such as personal identity, sexual orientation, name, and personal integrity;

(b) **Family life**, assessed by the duration and nature of relationships and cohabitation arrangements;

(c) **Home**, referring to the physical space where private and family life occurs—interpreted by the European Court of Human Rights to include workplaces, rented dwellings, and temporary accommodations;

(d) **Correspondence**, which covers written communication, telephone conversations, emails, and online interactions.

The Taxpayer in Iranian and French Law

In most developed countries, informed by human rights and citizenship principles, efforts have been made to recognize and guarantee taxpayers' rights (11). Respect for taxpayers' rights has become a central element of ethical management in public administration, promoting mutual trust, cooperation, and voluntary compliance among taxpayers (19).

The most tangible manifestation of this trend has been the drafting of *charters* and *declarations* on taxpayer rights, issued by fiscal authorities in various countries. These documents are derived from existing tax laws but lack independent legal status and therefore carry limited enforceability unless supported by explicit statutory provisions. For instance, in France, taxpayer rights are clearly articulated in the *Taxpayers' Charter* adopted by the Tax Administration in 1986 and codified into tax law in 1987 (6).

In Iran, the *Citizens' Rights Charter*, published during the 11th and 12th administrations, has not yet been enacted by Parliament but reflects a significant step toward promoting citizens' rights. The *Taxpayer Rights Charter*, displayed within the Iranian National Tax Administration, recognizes rights such as the right to fair and lawful treatment by tax officers, the right to information and guidance, the right to quality tax services, the right to confidentiality and privacy, and the right to appeal, complaint, and review. However, no binding enforcement mechanism has yet been established to ensure these rights are upheld (9).

The Taxpayer in Iranian Law

In the Iranian legal system, the concept of a taxpayer is primarily defined in the *Direct Taxes Act* (adopted in 1987 and subsequently amended). Although the legislature has not provided a single explicit definition, it can be inferred from various articles that a taxpayer—whether natural or legal—is a person legally responsible for paying taxes (10).

Article 1 of this Act divides taxable persons into two main categories:

- **Natural persons**, including all residents of Iran in respect of income earned both domestically and abroad, and non-residents in respect of income earned within Iran.
- **Legal persons**, including all companies and institutions established in Iran, with respect to all their income.

Article 32 further distinguishes between *business taxpayers* (natural persons) and *corporate taxpayers* (legal persons).

Taxpayers in Iran bear several key obligations:

- **Submission of returns:** The duty to file tax declarations within the statutory deadlines (Articles 140 and 169).
- **Recordkeeping:** The obligation to maintain accounting books and supporting documentation for ten years (Article 230).
- **Cooperation with tax officers:** Granting access to documents and records (Articles 215 and 216).
- **Timely payment:** Settling final tax liabilities by the prescribed due date.

The Iranian legislature has gradually expanded taxpayers' rights, including the right to appeal and have cases reviewed (Articles 237 and following), the right to request penalty remission (Article 190), and the right to confidentiality and data protection (Article 197). However, these rights remain less developed compared with taxpayers' obligations and require further reinforcement (1).

The Taxpayer in French Law

In the French legal system, the concept of a taxpayer is defined and regulated within the *General Tax Code (Code Général des Impôts – CGI)* and the *Book of Tax Procedures (Livre des Procédures Fiscales – LPF)*, which together constitute a highly detailed and precise framework (6).

In French law, a taxpayer—whether an individual or a legal entity—is a person subject to a tax obligation, which may arise from income tax, corporate tax, value-added tax (TVA), or other levies. The system distinctly differentiates between natural and legal persons, assigning specific tax regimes to each category (Article 4 of the CGI).

Taxpayer obligations in France are well-structured and include the duty to submit accurate tax returns, maintain records for a prescribed period (usually six years), and cooperate during tax audits. The audit process is conducted with procedural safeguards for taxpayers. For example, any inspection must be preceded by prior notice, and judicial authorization is required to inspect a taxpayer's private residence (Article L.16 B of the LPF) (15).

French taxpayers also benefit from extensive legal protections, including the right to access their tax file, the right to fair trial guarantees (such as representation by counsel and protection against self-incrimination), the right to appeal administrative decisions, and the right to privacy and data confidentiality. These protections are reinforced by the *European Convention on Human Rights* and the European Union's stringent *General Data Protection Regulation (GDPR)* (7, 16).

Examining the Status of Taxpayers' Rights in the Tax Systems of Iran and France

In matters of taxation, a distinction must be drawn between a "taxpayer" and a "person subject to the tax law." The latter is a broader concept indicating that a person falls within the scope of tax legislation, even if— for various reasons— they do not ultimately pay the tax. The person who bears the legal obligation to pay the tax is the taxpayer. In direct taxation, the term "taxpayer" is most commonly used (10).

One of the fundamental rights accorded to taxpayers—unlike in employment law—is the presumption in favor of the taxpayer's good faith. Whereas employment regimes often expect an applicant to disprove the existence of a criminal record by presenting a clean-record certificate, the tax system presumes the taxpayer's honesty and truthfulness. Article 177 of the *Direct Taxes Act* provides that taxpayers may submit returns required under the Act to the tax office having jurisdiction over their residence and receive a receipt. If a return is not filed, or is deficient, the Tax Administration issues a written notice to the taxpayer. Such notices to taxpayers or third parties must be in writing and must specify the books, records, and documents required. When a taxpayer submits their books and documents, the Tax Administration is obliged to issue a receipt specifying the type and characteristics of the documents (3, 9).

The presumption of taxpayers' innocence (good faith) is therefore a core right within the tax system and stands in contrast to presumptions sometimes found in other administrative contexts. This principle reflects the tax system's trust in citizens and respect for their human dignity (13).

Article 177 of the *Direct Taxes Act* expressly recognizes the taxpayer's right to submit the required return and to receive an official receipt for submission.

Where taxpayers fail to submit returns or submit defective ones, the Tax Administration issues formal warnings. By law, these warnings must be in writing and must clearly identify the books and documents required— a practice that reflects respect for the taxpayer's rights of defense and transparency in administrative action (3).

When a taxpayer delivers their books and records to the competent tax office, the Tax Administration must issue a receipt specifying the type and attributes of the documents submitted. This statutory duty serves as a crucial safeguard to protect taxpayers' rights and prevent loss or mishandling of tax records (3).

In the French tax system, taxpayers' rights occupy a particularly prominent place. The *Taxpayers' Charter (Charte du Contribuable)*, which was incorporated into statute in 1987, explicitly delineates the rights of taxpayers throughout the audit process and ensures that taxpayers are aware of these rights and able to invoke them (6, 7).

France, emphasizing the principles of *proportionality* and *respect for the rights of the defense*, imposes strict limits on the tax administration's right of access. By law, any audit or verification must be preceded by prior notice to the taxpayer; moreover, judicial authorization is required to inspect a taxpayer's private residence (6, 16).

Tax Disputes in the French System

Administrative courts (tribunaux administratifs): Challenges to administrative tax decisions (e.g., direct taxes and turnover taxes) are heard by these courts.

Administrative Courts of Appeal (Cours administratives d'appel—CAA): Appeals against judgments of the administrative courts are generally available, except for cases decided at first and last instance or those appealed directly to the *Conseil d'État*. Appeals in criminal tax offenses have suspensive effect. Standard appeal deadlines are two months for residents of metropolitan France, three months for overseas territories, and four months for persons residing abroad (6).

Conseil d'État: The council serves as the supreme appellate authority for administrative tax matters (7).

Urgent interim measures (référé): In urgent situations, taxpayers may petition the judge for interim relief—typically decided within days to a month or more— including suspension of a decision where urgency and serious doubt as to legality exist, protection of fundamental freedoms, or orders compelling disclosure of documents or necessary actions (6).

Protection under administrative doctrine: Article L.80 A of the *Livre des Procédures Fiscales (LPF)* bars the tax authorities from increasing assessments contrary to the published administrative doctrine in force at the time the tax was due. This provision goes beyond mere procedural fairness and creates a substantive right allowing taxpayers to rely on published guidance, thereby reducing arbitrary application of tax law and enhancing legal certainty— hallmarks of a mature legal system (6, 11).

Alternative dispute resolution (ADR): Hierarchical recourse (to a superior of the auditor), mediation, and departmental tax conciliation are available, and settlements may be concluded at various stages; such agreements are generally final and not subject to appeal (17).

In the French legal order, taxpayers enjoy fundamental rights designed to ensure a fair and transparent process, especially in tax litigation. Among the most important are the right of access to the file and the right to legal counsel (7).

The right of access to the file is an essential component of the adversarial principle and the right to a fair hearing. It enables the taxpayer to examine all documents on which the tax administration has based its decisions or claims, and thus to prepare an effective defense (6).

Tax Dispute Resolution Boards in Iran

Composition: These boards are composed of three members: a representative of the Iranian National Tax Administration, a judge (serving or retired), and a representative of professional associations. The Tax Administration manages these boards and pays members' fees (1).

First-instance board: Decisions of the first-instance board are not final and may be appealed. Hearings are held in person, and the taxpayer (or their representative) and the tax office representative may attend (3).

Appellate board: If the taxpayer or the tax officers file a written objection within twenty days of notification of the first-instance decision, the case is referred to the appellate tax dispute resolution board. The appellate board's decision at this administrative level is generally final and enforceable (3).

High Council of Taxation: This body reviews decisions issued by the appellate boards. Its jurisdiction is confined to examining compliance with law and procedural defects; it does not review the merits. The council comprises eight chambers, each with three members. If the council annuls a decision, the case is remanded to another dispute resolution board for reconsideration. The deadline to appeal to the High Council is two months (1).

Three-Member Panel of the Ministry of Economy: This is an additional administrative forum to which cases may be taken after the High Council, though it is reportedly rare. This panel may review the merits of tax disputes (1).

Administrative Court of Justice (ACJ): The ACJ acts as the final judicial forum for tax disputes in Iran. It reviews decisions of the tax dispute resolution boards and may hear complaints against decisions, actions, and regulations issued by tax authorities. The deadline for filing a petition is three months from the date of notification for residents of Iran and six months for residents abroad. The ACJ primarily reviews legal errors or procedural defects, but in some instances it may also examine the merits. Judgments of the ACJ's first-instance chambers are appealable to its appellate chambers (3).

The foundational structure of Iran's initial tax dispute boards— administered and financed by the Tax Administration and including a Tax Administration representative— raises serious concerns about both perceived and actual independence. This potential lack of impartiality at the primary administrative level likely induces taxpayers to pursue repeated appeals to higher bodies, especially the High Council of Taxation and the ACJ. The result is heavier caseloads and potential backlogs in these judicial forums, adversely affecting overall efficiency and public confidence in the system (13).

Furthermore, the numerous layers of administrative appeal in Iran (Tax Office → First-Instance Board → Appellate Board → High Council of Taxation → Three-Member Panel → Administrative Court of Justice) create a highly complex and potentially lengthy process for taxpayers. While in theory this architecture offers multiple review opportunities, in practice it can impede effective access to justice— particularly for smaller individuals or entities with limited legal and financial resources. The high procedural burden may disproportionately affect taxpayers lacking the means or sophistication to navigate such a labyrinthine system, prompting some to abandon their claims due to exhaustion or resource constraints (14).

In Iran's legal system, taxpayers face multiple challenges during tax adjudication that can undermine their rights. Among the most salient are significant case backlogs and resulting delays, driven by increasingly complex tax statutes and regulations, the proliferation of circulars, and insufficient clarity— all of which generate more disputes and referrals to judicial bodies. This situation imposes substantial financial and psychological pressure on taxpayers, disrupts their financial planning, and may ultimately result in additional late-payment penalties. Inadequate specialization among some members or judges within adjudicatory bodies compounds the problem: given the growing complexity of tax matters and the need for deep knowledge of accounting, auditing, and related laws, gaps in specialized training for some dispute board members and ACJ judges can yield inaccurate decisions and, consequently, violations of taxpayers' rights. Reviews of ACJ annulment grounds also reveal insufficient attention to taxpayers' defenses and briefs, which violates the right of defense and fair-hearing principles. Additionally, difficulties in accessing information and insufficient data transparency— together with the potential institutional dependence of some dispute resolution members on the Tax Administration— can heighten perceptions of bias and erode public trust in tax adjudication. Finally, although the right to counsel is recognized, access to specialized tax lawyers and the ability to bear related costs remain significant hurdles, especially for many individual taxpayers. Collectively, these problems substantially impair taxpayers' rights in Iran's tax judicial processes.

Discussion and Conclusion

The comparative analysis presented in this study demonstrates that the central challenge facing modern tax systems lies in finding a balance between two seemingly opposing imperatives: on one hand, the *state's right of access to information* for the accurate assessment and collection of taxes and for combating tax evasion; and on the other, the *taxpayer's right to privacy and confidentiality of information* as a fundamental human right.

To resolve this tension, the French legal system—supported by a long-standing and well-structured institutional foundation—has adopted a balanced approach based on strong legal safeguards. In this system, although the tax administration enjoys broad powers to access information (including digital data), these powers are constrained by strict principles such as the *requirement of proportionality*, *respect for the rights of defense*, *prior notification to the taxpayer*, and *judicial oversight*. The foundation of this balance lies in constitutional provisions, human rights conventions, and rigorous data protection regulations (such as the GDPR). Together with clear and binding taxpayer charters, these guarantees create a predictable and secure environment for taxpayers.

In contrast, the Iranian legal system primarily relies on ordinary legislation and grants the Tax Administration comprehensive authority to access taxpayer information—mainly through Article 169 (repeated) of the *Direct Taxes*

Act. However, the legislator's focus has largely been on expanding the powers of the tax authority rather than on establishing solid legal safeguards and independent oversight mechanisms to prevent arbitrariness and to protect taxpayer privacy. Although laws such as the *Law on the Dissemination and Free Access to Information* and internal taxpayer rights charters exist, they lack sufficient enforcement mechanisms and clearly defined independent supervisory frameworks.

This imbalance in legal foundations is also evident in the structure of tax adjudication in both countries. France, with its independent and specialized judicial bodies—such as administrative courts and the *Conseil d'État*—as well as efficient alternative dispute resolution mechanisms, provides taxpayers with a transparent and relatively expedient pathway for appeals. In Iran, however, the structure of the *Tax Dispute Resolution Boards*, which are managed and financed by the Tax Administration, raises serious doubts about their independence and impartiality. This, combined with the complexity and multiplicity of appellate layers (first-instance, appellate, High Council, three-member committee, and ultimately the Administrative Court of Justice), creates a lengthy, costly, and exhausting process for taxpayers—one that effectively impedes meaningful access to justice.

In conclusion, while the Iranian tax system has made significant strides in *empowering* itself to collect information and assess taxes more effectively, it continues to face structural and legal challenges in *balancing* these powers with taxpayer rights and in building public trust. The solution does not lie in restricting the legal authority of the Tax Administration but rather in strengthening independent oversight institutions, increasing procedural transparency, drafting clear and straightforward legislation, making taxpayer charters binding, and—most importantly—establishing an independent, specialized, and efficient tax adjudication system. The French experience in integrating administrative efficiency with judicial and procedural protection of taxpayer rights offers a valuable model for future reforms in Iran's legal system.

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Authors' Contributions

All authors equally contributed to this study.

Declaration of Interest

The authors of this article declared no conflict of interest.

Ethical Considerations

All ethical principles were adheried in conducting and writing this article.

Transparency of Data

In accordance with the principles of transparency and open research, we declare that all data and materials used in this study are available upon request.

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