

The three body problem: Ecuador's tax on tax haven ownership

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Motivation

- ▶ Tax havens impose negative externalities on other countries
 - ▶ Nearly 10% of household financial wealth is located in tax havens, upwards of 40% of corporate profits are shifted to tax havens annually
Zucman (2013); Tørsløv, Wier, and Zucman (2022)
 - ▶ Privacy protections may facilitate criminal activities, circumvention of sanctions and legal regimes (ICIJ, 2022)
- ▶ Information reporting + coordination have emerged as central features of policy solutions for reducing illicit use of tax havens
 - ▶ OECD Common Reporting Standards (CRS), Automatic Exchange of Information (AEOI), agenda on Base Erosion and Profit Shifting (BEPS)
 - ▶ Mixed evidence on effectiveness (Boas et al. 2024, Alstadsæter et al. 2023)
- ▶ New unilateral push for beneficial ownership reporting standards and data

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- ▶ New unilateral push for beneficial ownership reporting standards and data
 - ⇒ **How can countries (unilaterally) enforce beneficial ownership reporting policies and increase offshore transparency + reduce base erosion + tax haven usage?**

Setting and question

- ▶ Ecuador established a ownership registry for businesses in 2012
 - ▶ Allows observation of the near-universe of shareholders (+ ownership chains)
 - ▶ Statutorily is a beneficial ownership registry; de facto, possibly less so
 - ▶ State capacity limits to information usage and coordination
- ▶ With this new data, in 2015 Ecuador introduced a CIT surcharge on firms depending on ownership attributable to shareholders in tax havens
 - ▶ +3pp for terminal haven ownership $\geq 50\%$ (Base CIT rate at 22%)
 - ▶ This policy $\implies$ a “flashlight and a stick”
- ▶ **Central question:** How did the tax haven CIT surcharge impact business ownership through tax havens & offshore corporate transparency?
 - ▶ How did the surcharge impact CIT payments and business activity?

Preview of findings

- ▶ Main comparison:
Firms with haven presence v. international (non-haven) presence
- ▶ Pre-reform: Around 80% of firms report *true* beneficial ownership (“BO”), but only 34% for firms with “terminal ownership” in tax havens.
- ▶ The reform caused a large drop in terminal ownership in tax havens
 - ▶ Nearly all movement on the “extensive” margin (12pp)
 - ▶ Near complete substitution to non-havens, no change in domestic ownership
 - ▶ Substantial increase in foreign ownership that can be tied to people
 - ▶ A substantial improvement in “offshore corporate transparency”
- ▶ What impact did the reform have on economic activity?
 - ▶ An increase in gross profit declared and CIT $\gtrapprox$ 15%

Not today:

- ▶ No impact on salary payouts, decrease in debt/interest payments
- ▶ No evidence of reduction in transactions with havens

Literature

- ▶ Multilateral anti-tax haven policies:
 - ▶ Boas et al. (2024); Bomare and Collin (2024); Bustos et al. (2023); Alstadsaeter et al. (2023); Clifford (2019); Menkhoff and Miethe (2019);
- ▶ Impacts of domestic policies to counter tax haven usage
 - ▶ Brounstein (2023); Alstadsaeter et al. (2022); Serrato-Suárez (2019)
- ▶ Describing the environment of multinational tax strategy & haven use
 - ▶ Bilicka et al. (2024); Tørsløv et al. (2022); Bilicka (2019);
 - ▶ Alstadsaeter et al. (2019); Londono-Velez and Ávila-Mahecha (2021)

1. Data and background
2. Empirical strategy
3. Results on terminal ownership
4. Results on business activity

Data

- ▶ Business ownership data (APS)
 - ▶ Annual data from 2012-2019
 - ▶ Aspirationally a beneficial ownership registry (BO)
 - ▶ All direct shareholders of Ecuadorian companies
 - ▶ All direct holdings of Ecuadorian shareholders
 - ▶ Structures to identify direct and indirect linkages between companies and ultimate owners
- ▶ Annual corporate income tax declarations (CIT)
 - ▶ ~ 60k active (and formal) firms every year
 - ▶ All monetary values are expressed in real USD 2014
- ▶ Universe of cross-border transactions (MID)
 - ▶ How do haven, non-haven transactions respond to the reform?

Descriptive statistics of Ecuadorian businesses

Descriptive statistics of MID cross-border flows

CIT surcharge on tax haven shareholding

- ▶ In 2015, the Ecuadorian gov't installed a corporate income tax surcharge based on total ultimate shareholding attributable to tax havens
 - ▶ Firms majority “terminally-owned” by havens pay +3pp
 - ▶ Firms with minority ultimate ownership in havens face a smaller CIT surcharge, linear in their tax haven ownership.
 - ▶ Firms not in compliance with information reporting pay +3pp
 - ▶ Corporate income tax is levied at 22% (territorial)
- NB: This reform deals with *ultimate ownership* $\implies$ focus on *evasive* use of havens
- ▶ Tax haven status is determined by Ecuadorian government
 - ▶ Coincides with canonical lists + some unconventional countries
 - $\implies$ Mostly Panamá

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Defining exposure and control

- ▶ We define exposure/treatment and control through their predicted exposure to the CIT surcharge, based on their 2014 ownership structure
- ▶ **Main comparison:**
 - ▶ “Exposure” or “Treatment”: $[0.5, 1]$ tax haven ownership in 2014
 - ▶ Control: $[0.5, 1]$ foreign non-haven 2014 ownership (+ no haven presence)
 - ▶ “T-majority” or “exposure” versus “C-majority” or “control”
 - ▶ Also distinguish between $[\text{.05}, .5)$ “minority” exposure and control firms

Descriptive statistics: exposure/control companies

	Exposure	Control	Difference
Log revenue	12.69	12.50	0.185 (.1316)
Log taxable profit	10.43	10.27	0.168 (.135)
Has positive taxable profit	0.747	0.746	0.00136 (.01961)
Log CIT liability	8.917	8.756	0.161 (.1342)
Ownership share of plurality owner	0.805	0.688	0.117 (.01199)
Avg. ult. shareholder chain length	1.916	1.520	0.396 (.04406)
Filed APS in 2014	0.966	0.917	0.0483 (.008349)
APS adds to 100	0.974	0.959	0.0156 (.008718)
Final beneficial ownership adds to 100	0.329	0.590	-0.261 (.02201)
Unique firms	581	3263	

Weighted by assets

Weighted by log assets

Haven ranks

Non-haven ranks

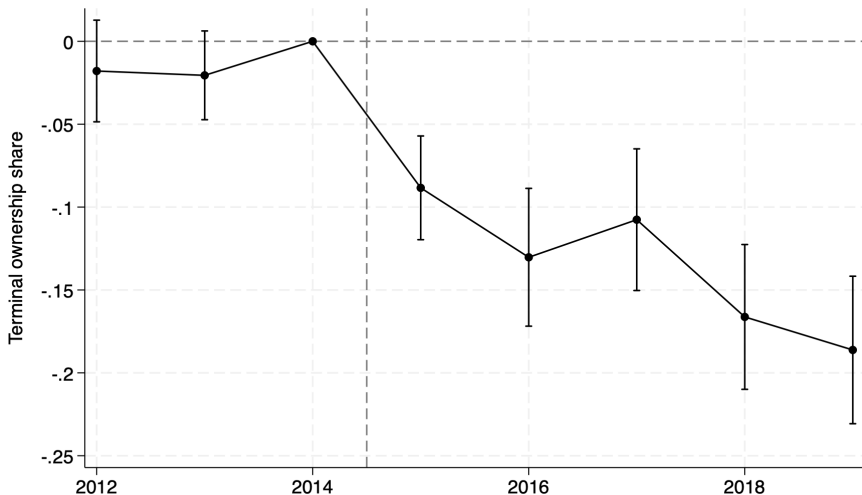
Estimation strategy and identification

$$y_{it} = \alpha_i + \delta_t + \sum_{k=2012}^{2019} \beta_{dd,k} \cdot \mathbb{1}\{Year_t = k\} \cdot Exposure_i + \varepsilon_{it}$$

- ▶ Identification relies on a parallel trends assumption (DD)
- ▶ Outcome variables: terminal ownership by domicile, business activity, etc.
- ▶ **Accounting for mean reversion in foreign activity:**
 - ▶ Can't just compare haven activity for exposure and control
 - ▶ Exposure havens versus control non-havens $\implies$ "Prominent'major" group
 - ▶ Studying changes in non-havens: $\implies$ "Inverse/minor" group
 - ▶ We adopt the same approach for studying cross border flows (havens versus non-havens)
- ▶ NB: Unweighted results v. weighting on pre-reform size nearly identical

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Tax haven shareholding : difference-in-differences



Asset-weighted

Using tax havens as dependent variable

Extensive margin

Establishing the change in tax haven shareholding

	Haven shareholdership (1)	Haven shareholdership (2)	Haven shareholdership (3)	Zero haven shareholdership (4)	Zero haven shareholdership (5)	Zero haven shareholdership (6)
Exposure $\times$ Year $\geq$ 2015	-0.118 (.01871)	-0.121 (.01849)	-0.131 (.01884)	0.112 (.01954)	0.115 (.01939)	0.128 (.01952)
Constant	0.804 (.004346)			0.0660 (.003202)		
Firm fixed effects	N	Y	Y	N	Y	Y
Weight (2014 log assets)	N	N	Y	N	N	Y
N	28122	28122	28122	28122	28122	28122
Adjusted R2	0.0627	0.109	0.565	0.0803	0.112	0.487

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BOE calculation for “intensive margin” change:

$$\hat{\beta}_{dd} = \left[\hat{\beta} | s_{i,t \geq 2015}^{Ult. \text{ haven own.}} = 0 \right] \cdot Share_0 + \mathbb{E} \left[\hat{\beta} | s_{i,t \geq 2015}^{Ult. \text{ haven own.}} > 0 \right] \cdot Share_{>0}$$

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$$\Rightarrow \mathbb{E} \left[\hat{\beta} | s_{i,t \geq 2015}^{Ult. \text{ haven own.}} > 0 \right] \approx -0.03$$

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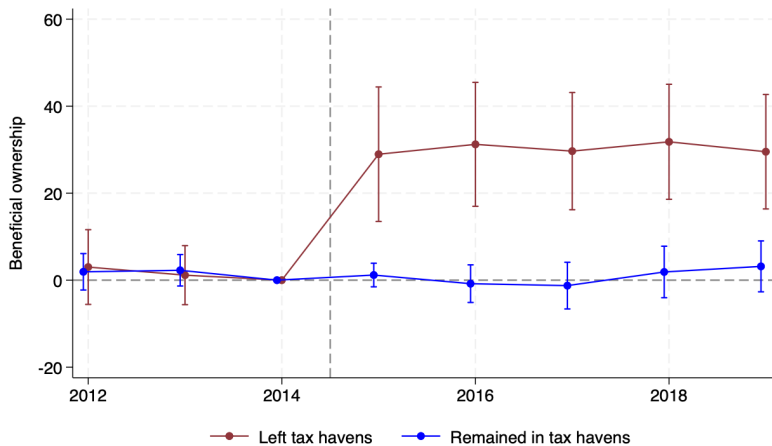
► Pretty much all of the movement is “extensive margin”.

$\implies$ Natural question: where are firms *going*?

Substitution margins



Ultimate ownership by people



Takeaways from shareholdership responses

- ▶ The reform reduced terminal ownership linkages with tax havens
- ▶ Counterfactually, all of the reduction in terminal tax haven shareholdership accrued to foreign non-havens
- ▶ We observe an broad increase in transparency:
 - ▶ Substantial tax haven “terminal ownership” $\implies$ now attributable to people
 - ▶ Modest decrease in domestic transparency
 - ▶ No substantial response among firms remaining in havens
- ▶ What benefit does this transparency bring?
 - ▶ Affects perception of probability of detection of wrongdoing
 - ▶ Ability for countries to enforce tax and non-tax law abroad, cooperate with other countries

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How can the reform affect business activity?

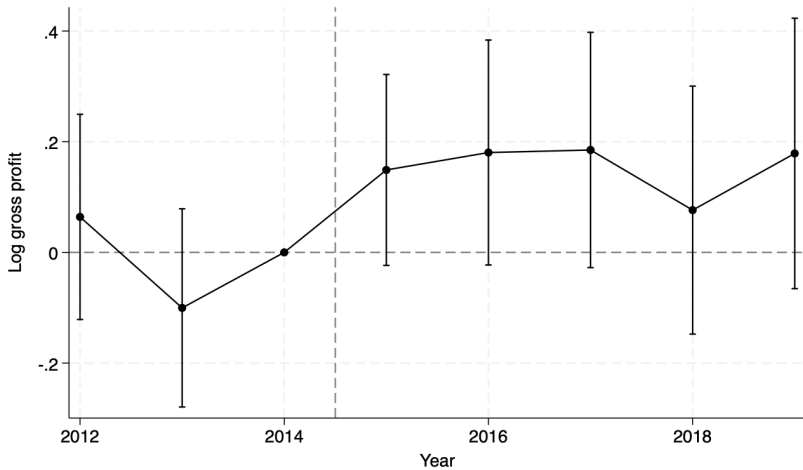
- ▶ The CIT surcharge doesn't directly affect *legal* profit shifting incentives
 - ▶ Reporting standards are focused around **ultimate ownership**
- ▶ The reform could have an impact on tax evasive or quasi-illicit flows
 - ▶ Changing perceptions on enforcement of international tax rules
 - ▶ By increasing ownership transparency, the reform could have a first order impact on “detection probability” (Allingham and Sandmo, 1972)

Illustration of avoidance structures

Illustration of evasion structures

Log gross profit

$$\hat{\beta}_{dd} = 0.168 \text{ (.072)}$$

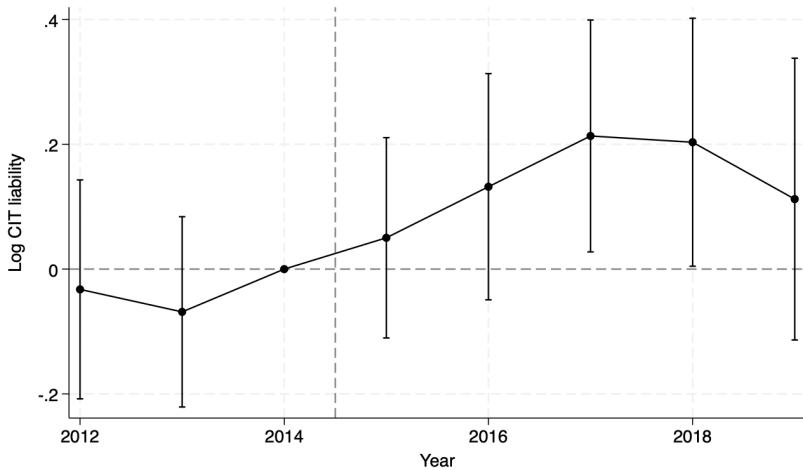


Log revenue

Log costs

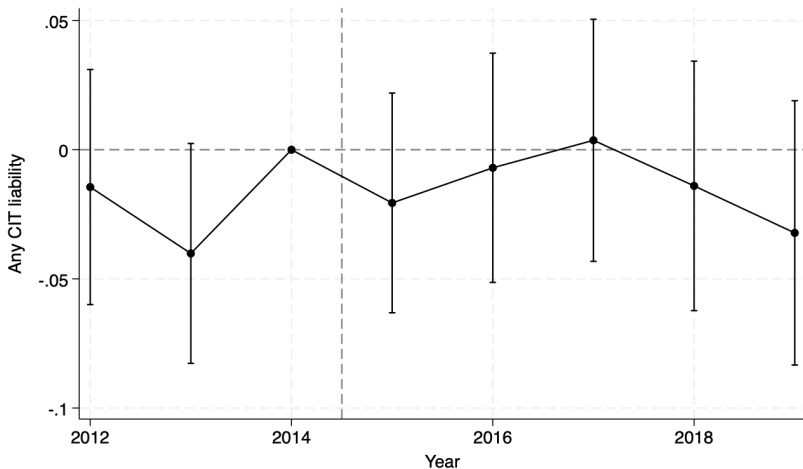
Log CIT liability

$$\hat{\beta}_{dd} = 0.171 \text{ } (.069)$$



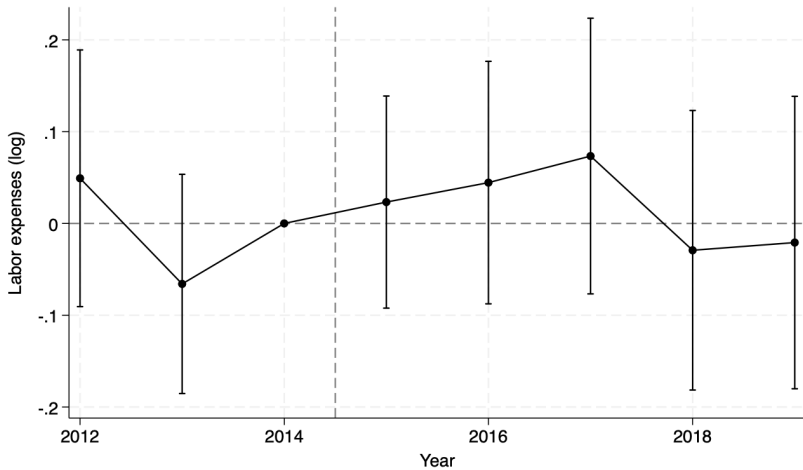
CIT liability (binary)

$$\hat{\beta}_{dd} = 0.004 \text{ (.016)}$$



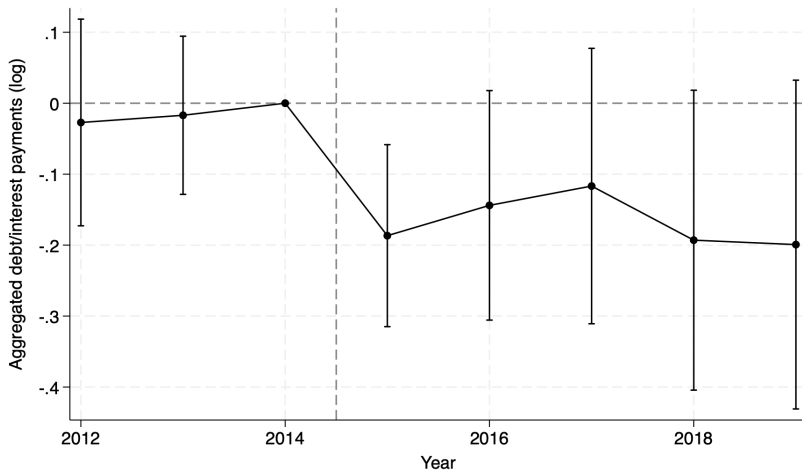
[Back to first stage](#)

Log labor expenses



Share of expenses

Log debt and interest payments



Share of revenue

Log revenue

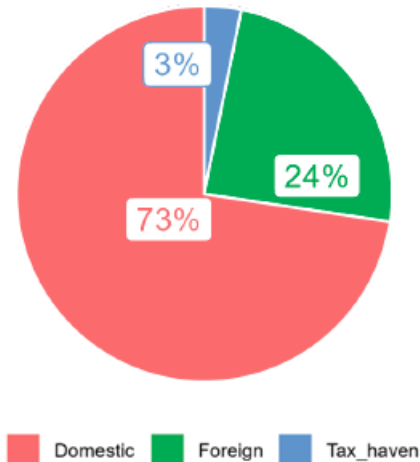
Log reinvestment out of profit

Conclusion

- ▶ Beneficial ownership reporting + data are key components of reducing illicit use of tax havens
 - ▶ Beneficial ownership reporting standards can be easy to circumvent
 - ▶ We study a reform that penalizes corporate beneficial ownership opacity with respect to tax haven usage
- ▶ Reform resulted in a drop in *observable* shareholdings in tax havens
 - ▶ Near complete substitution to non-havens
 - ▶ Substantial increase in foreign ultimate ownership by non-haven **people**
- ▶ How did the reform affect business activity?
 - ▶ Persistent increase in CIT collections $\gtrapprox 15\%$
- ▶ High-level:
 - ⇒ The “flashlight + stick” combo resulted in greater CIT collections + corporate ownership transparency

Thank you!

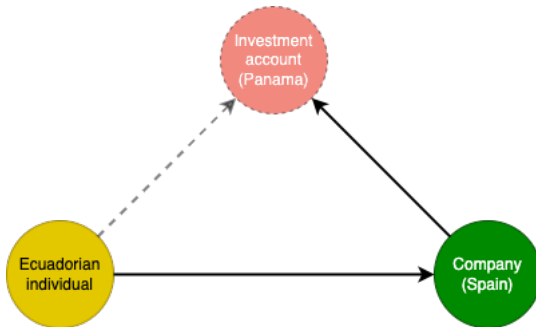
Revenue-weighted shareholder location composition (2014)



Descriptive statistics of Ecuadorian businesses (2014, USD)

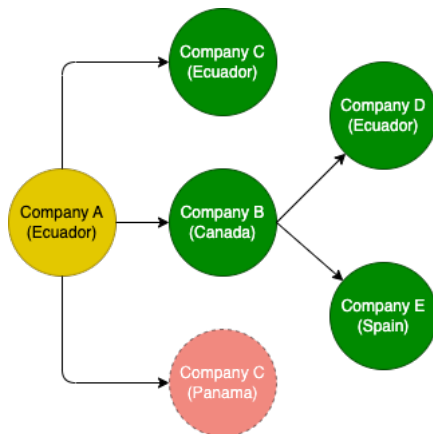
	Mean	SD	p10	Median	p90
Total sales (1000s)	1145	3797	0	116.3	2205
Total revenue (1000s)	1249	4170	4.300	137.4	2361
Log revenue	11.59	2.664	8.366	11.83	14.67
Log taxable profit	8.966	2.532	5.629	9.165	12
Has positive taxable profit	0.778	0.415	0	1	1
Log CIT liability	7.451	2.522	4.114	7.649	10.48
CIT rate	0.170	0.0925	0	0.220	0.220
Log total assets	11.55	2.402	8.270	11.67	14.51
Profitability by revenue	0.0927	0.173	0	0.0335	0.231
Unique firms	62350				

Evasion illustration



- ▶ The Ecuadorian individual is the **beneficial** or **ultimate** owner of the Panamanian company
 - ▶ But the Spanish company *appears* as the owner of the Panamanian account
- ▶ The individual leverages privacy/secretcy protections with the Panamanian account to conceal their identity from the Ecuadorian tax authorities
 - ▶ The Ecuadorian tax authorities want to tax all of the worldwide earnings of the Ecuadorian individual

Avoidance illustration



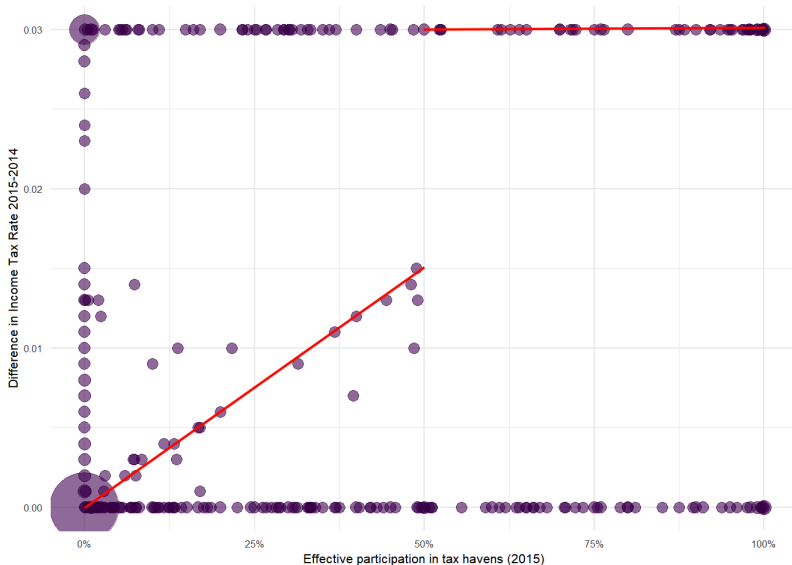
- ▶ We consider the profits of the whole group
- ▶ All of the companies can make local profits, but using a profit shifting technology, can legally transfer profits to Company C in Panamá.

⇒ The “beneficial owner” doesn’t matter in this context

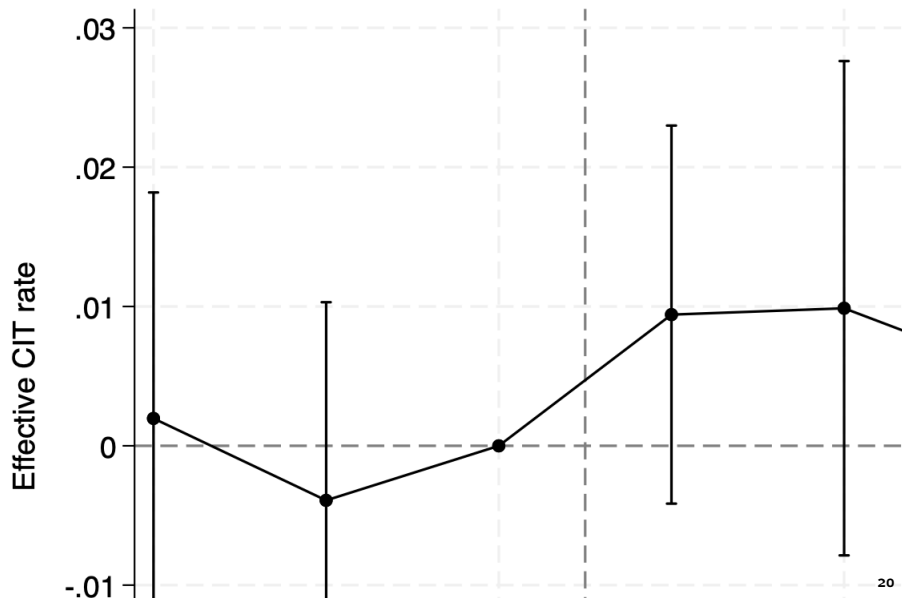
Descriptive statistics of minority foreign-owned companies

	T-Minor (exposure)	C-Minor (control)	Difference
Log revenue	13.35 (3.213)	12.59 (2.745)	0.753 (.2281)
Log taxable profit	11.41 (2.493)	10.18 (2.565)	1.232 (.2375)
Has positive taxable profit	0.767 (.4239)	0.759 (.4281)	0.00833 (.03467)
CIT liability	92.82 (156.2)	42.13 (103.7)	50.69 (9.101)
Log CIT liability	9.893 (2.49)	8.661 (2.566)	1.231 (.2375)
CIT rate	0.168 (.09404)	0.167 (.09393)	0.000191 (.007618)
Log total assets	14.02 (2.45)	12.78 (2.527)	1.232 (.2041)
Profitability by revenue	0.130 (.2216)	0.107 (.1923)	0.0227 (.01593)
Unique firms	176	1119	

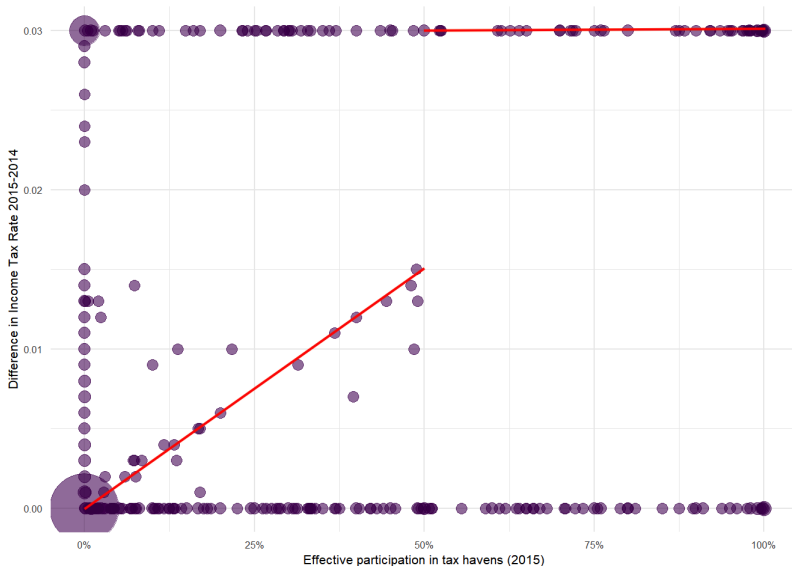
Change in CIT rate by tax haven ultimate shareholding



First stage for minority foreign-owned firms



CIT surcharge on tax haven shareholdings



Tax havens for Ecuador (2014)

	Country	> 50%	> 25%	> 10%	> 5%
1	Panama	353	445	500	519
2	Netherlands	52	72	87	92
3	Bahamas	46	51	52	52
4	British Virgin Islands	14	21	27	29
5	Cayman Islands	10	11	11	11
6	Belize	9	9	9	9
7	Luxembourg	9	11	12	16
8+	Other	47	59	72	76
	Unique firms	581			
	Share of firms in sample	0.9%			
	Share of firms (revenue-weighted)	3%			

[Back to APS validation](#)

Non-havens for Ecuador (2014)

	Country	> 50%	> 25%	> 10%	> 5%
1	Colombia	555	776	871	927
2	USA	506	800	1023	1143
3	Spain	281	394	458	491
4	Peru	178	264	302	323
5	Venezuela	114	170	186	191
6	Chile	113	160	190	207
7	Costa Rica	98	132	157	168
8	Argentina	97	152	174	185
9	Mexico	81	116	132	144
10	China	75	100	112	117
11+	Other	631	920	1109	1190

Administration of the ownership data (all firms, 2014)

	Mean	SD	p10	Median	p90
Beneficial ownership:					
Ecuadorian person (%)	65.87	46.66	0	100	100
Foreign person (%)	2.866	15.22	0	0	0
Ecuadorian non-person entity (%)	8.768	26.28	0	0	31.39
Foreign non-person entity (%)	1.548	11.83	0	0	0
Residual (%)	20.95	42.14	0	0	100
Compliance:					
Filed APS in 2014	0.740	0.439	0	1	1
Filed APS between 2012-2014	0.756	0.429	0	1	1
APS adds to 100	0.532	0.499	0	1	1
Final beneficial ownership adds to 100	0.430	0.495	0	0	1
Unique firms	135113				

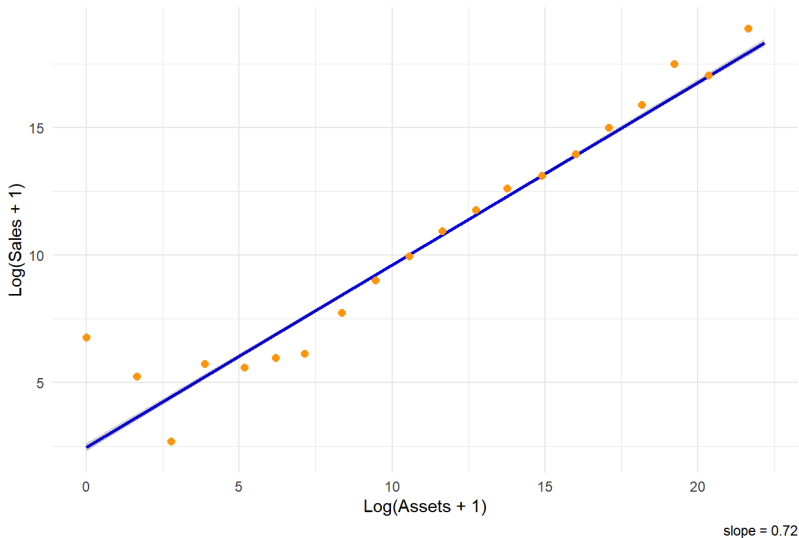
Ownership characteristics, weighted by assets

	T-major	C-major	T-minor	C-minor	Domestic
Ecuadorian person (%)	4.950	10.60	31.40	62.50	90.60
Foreign person (%)	37.70	57.10	27.10	20.90	0.0108
Ecuadorian non-person entity (%)	1.650	1.710	15.50	12.40	9.460
Foreign non-person entity (%)	56.10	31.20	26.50	4.600	0.00197
Residual (%)	-0.462	-0.590	-0.579	-0.422	-0.110
Sum	100	100	100	100	100
Avg. ultimate shareholder chain	1.950	1.590	1.900	1.150	1.010
Max ultimate shareholder chain	2.130	1.730	2.490	1.320	1.020
Unique firms	581	3263	176	1119	54164

Ownership characteristics, weighted by log assets

	T-major	C-major	T-minor	C-minor	Domestic
Ecuadorian person (%)	5.030	10.90	32.20	62.90	91.10
Foreign person (%)	38	58	27.60	21.10	0.00993
Ecuadorian non-person entity (%)	1.640	1.690	15.20	11.80	9.010
Foreign non-person entity (%)	55.70	29.90	25.50	4.510	0.00184
Residual (%)	-0.446	-0.544	-0.557	-0.377	-0.113
Sum	100	100	100	100	100
Avg. ultimate shareholder chain	1.930	1.550	1.870	1.140	1.010
Max ultimate shareholder chain	2.100	1.680	2.450	1.290	1.020
Unique firms	581	3263	176	1119	54164

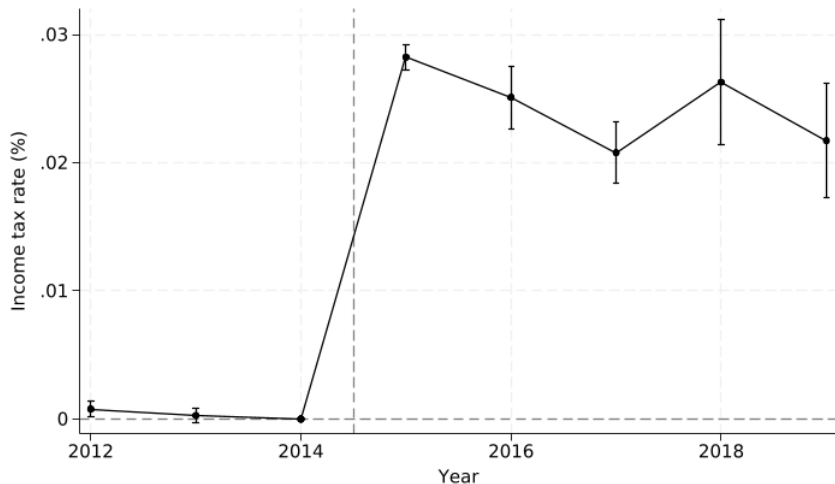
Weighting: relationship between size and sales



Mechanics of shareholdership response

- ▶ Businesses don't typically control the domicile of their shareholders
 - ▶ No *direct* impact on *true* "arms-length" shareholders in havens
- ▶ Highly exposed firms may appear less attractive to arms-length investors
 - ⇒ Reallocation of investor funds to companies w/ lower CIT
 - ▶ Potentially important implications for external firm financing
 - ⇒ In practice, Ecuadorian economy is very non-financialized
- ▶ Margins of shareholdership response:
 - ▶ **"Compliers"**: reduce their **direct** shareholding through havens
 - ▶ **"Re-layerers"**: add ownership layers to circumvent information reporting
 - ▶ **"Non-compliers"**: No response ⇒ Pay CIT surcharge or reduce CIT base

First stage: CIT > 0 and remained in havens in 2015



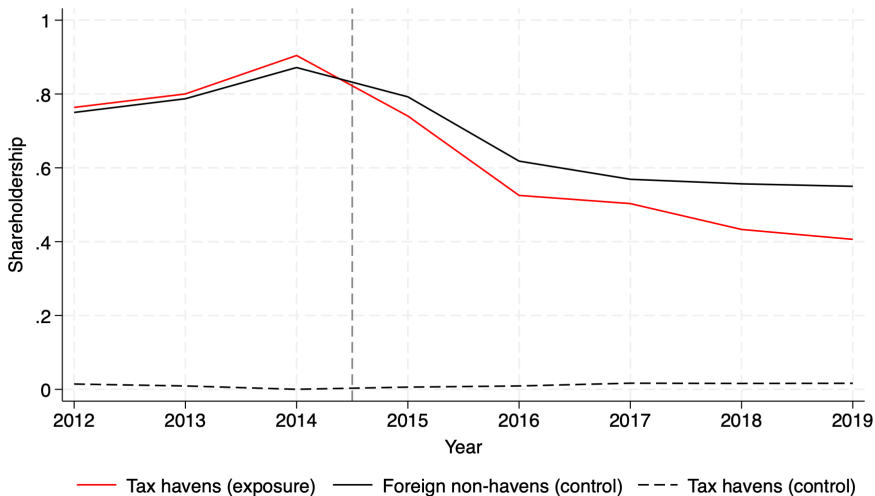
[Back to empirical strategy](#)

[Probability of paying CIT](#)

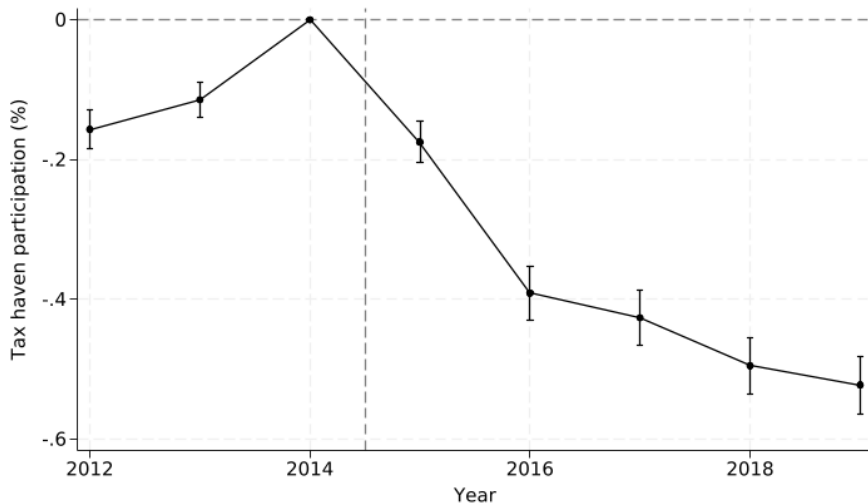
[Change in CIT rate by haven shareholdership](#)

[First stage for minority foreign firms](#)

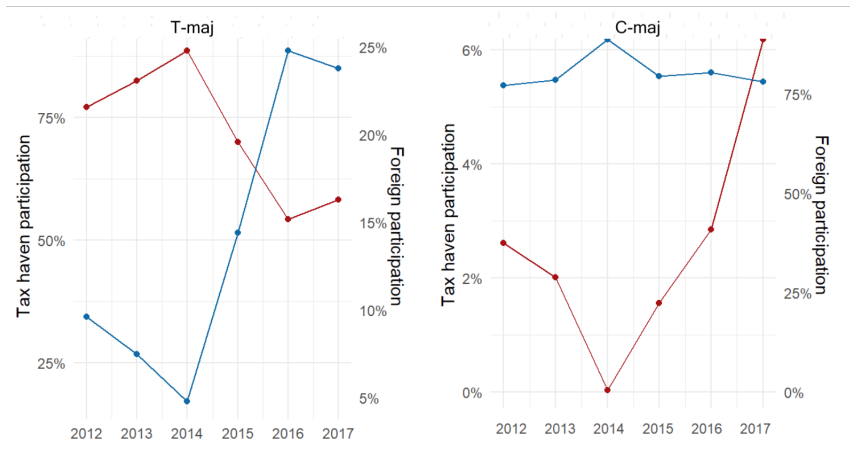
Tax haven shareholderhip: aggregate



Difference in differences: Haven ownership as outcome



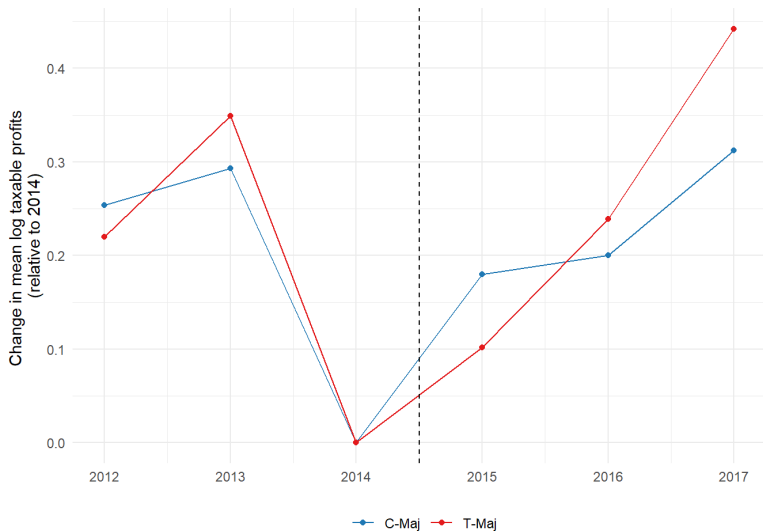
Shareholder rates by exposure group (weighted)



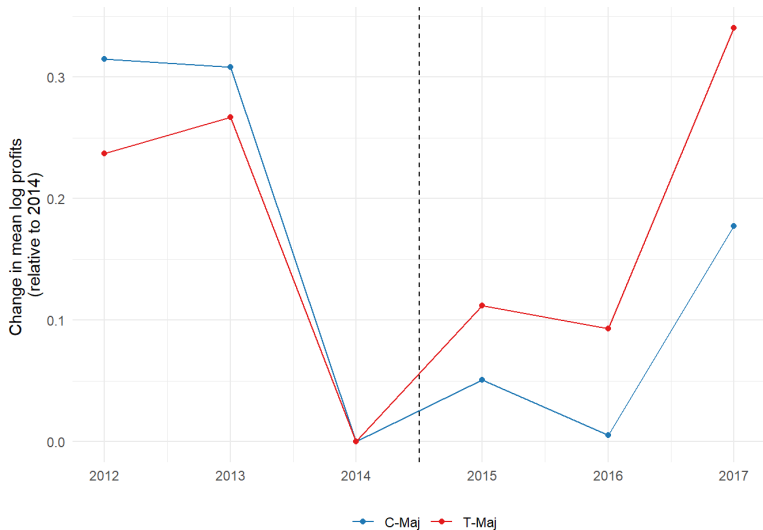
Administration of the ownership data (by treatment status)

	Domestic	T-maj	C-maj	T-min	C-min	Incomplete APS	Non-filers
Ecuadorian person	91.7	5.07	11.20	32.7	63.20	34.1	-
Foreign person	0	38.2	58.70	27.9	21.30	0.924	-
Ecuadorian non-person entity	8.47	1.62	1.67	15.0	11.50	9.50	-
Foreign non-person entity	0	55.50	29.0	24.90	4.43	0.368	-
Residual	-0.145	-0.452	-0.524	-0.543	-0.346	55.10	100
Sum	100	100	100	100	100	100	100
Unique firms	55114	662	3249	230	1144	1626	731

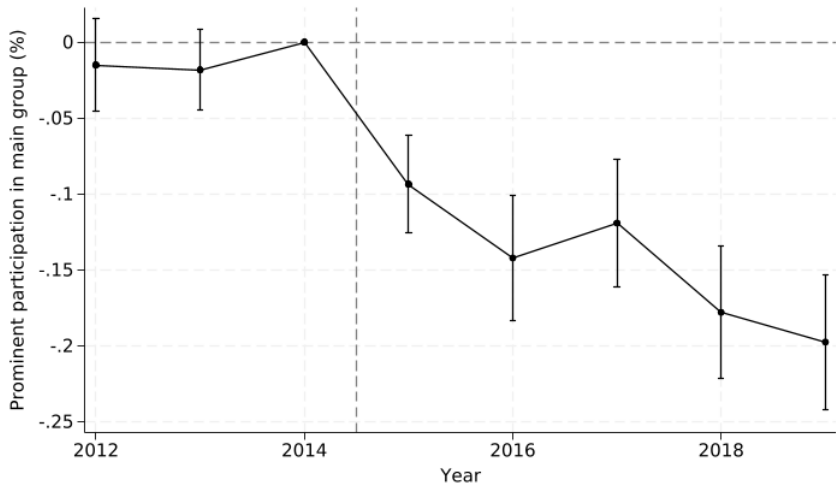
Taxable profits, major exposure group



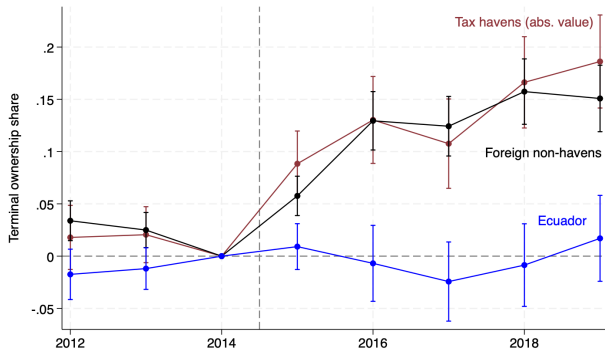
Gross profits, main exposure group



Tax haven shareholding: majority group (weighted)

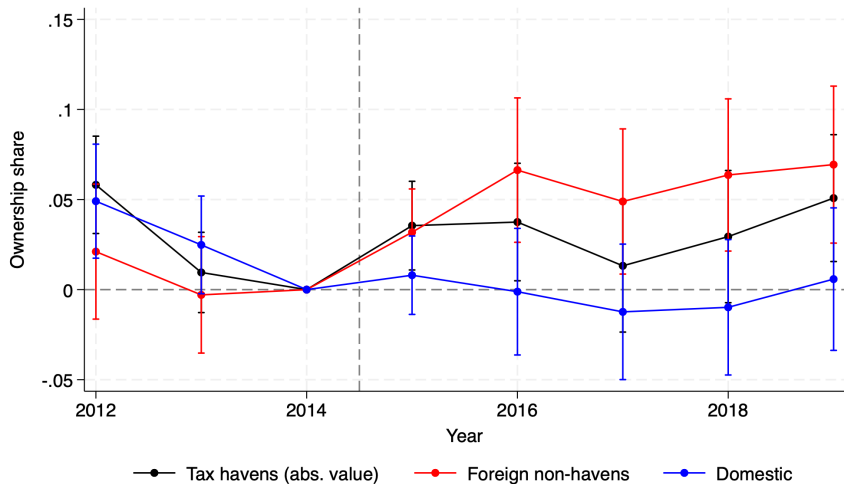


Substitution margins (majority group)

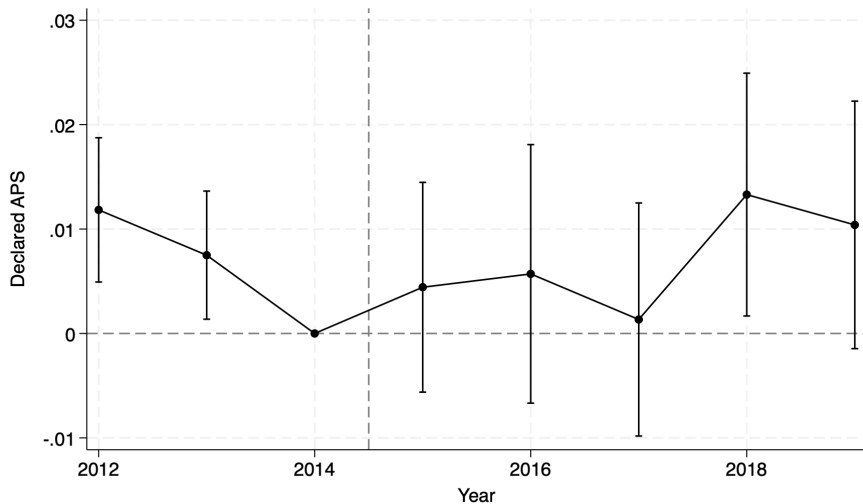


[Back](#)

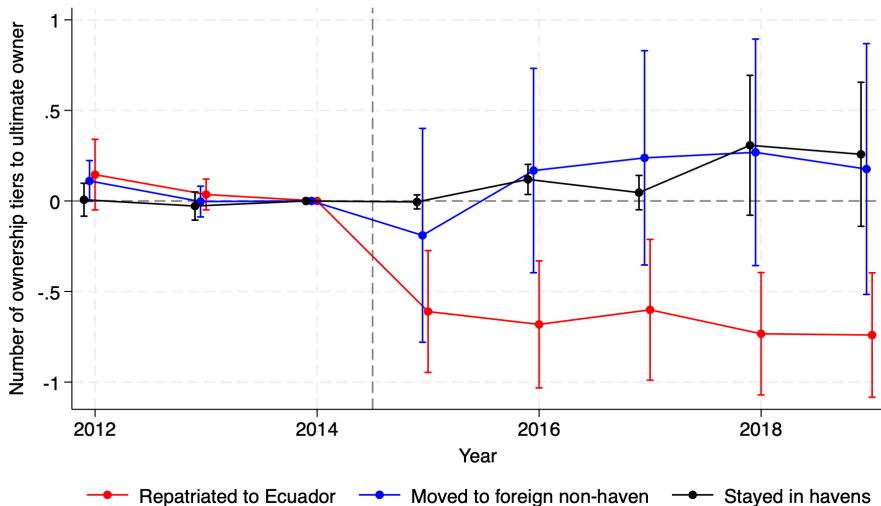
Substitution margins (minority group)



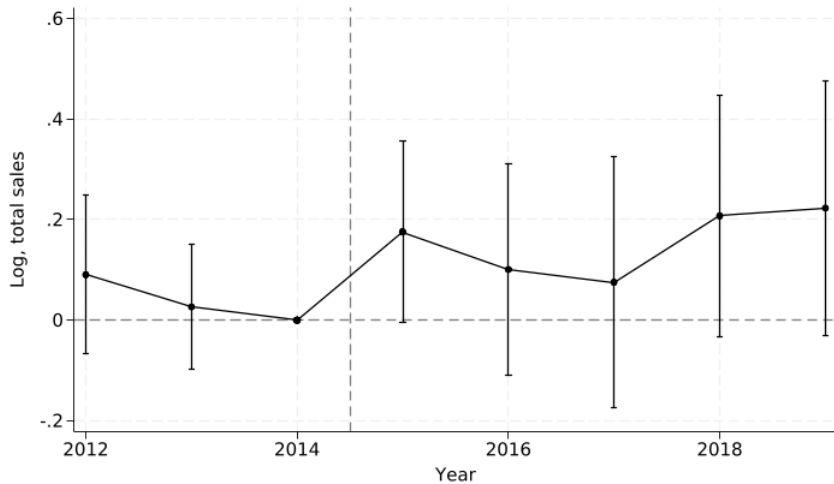
Complied with shareholdership reporting standards



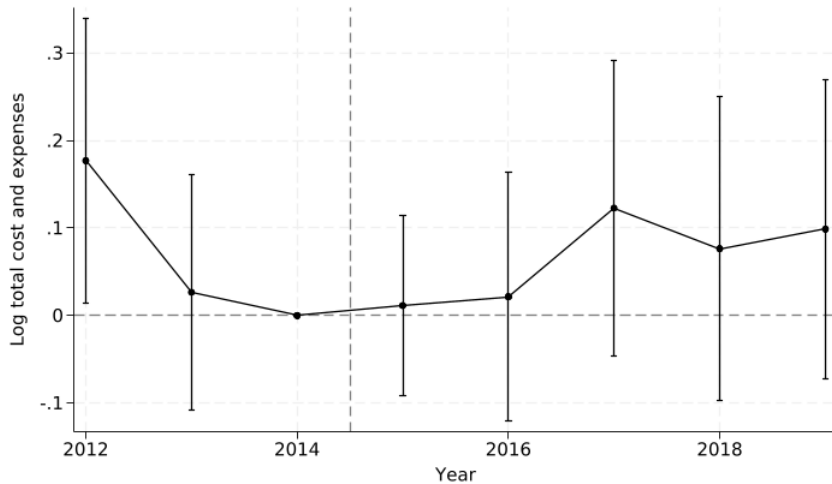
Ownership chains by ex-post domicile response



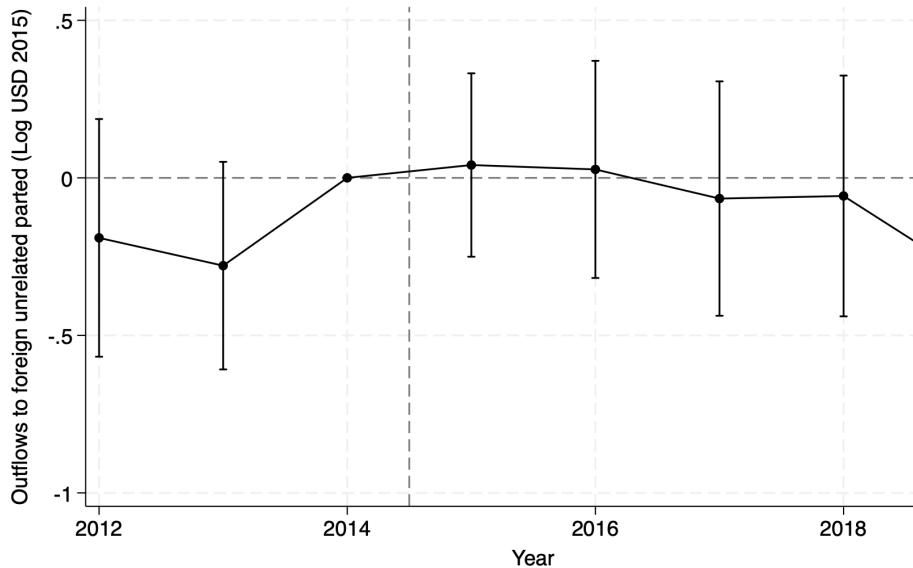
Log revenues



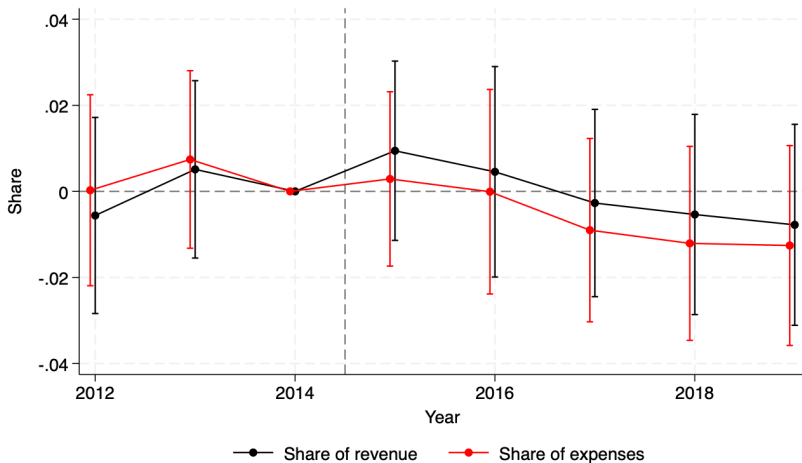
Log expenses



Log flows to foreign related parties



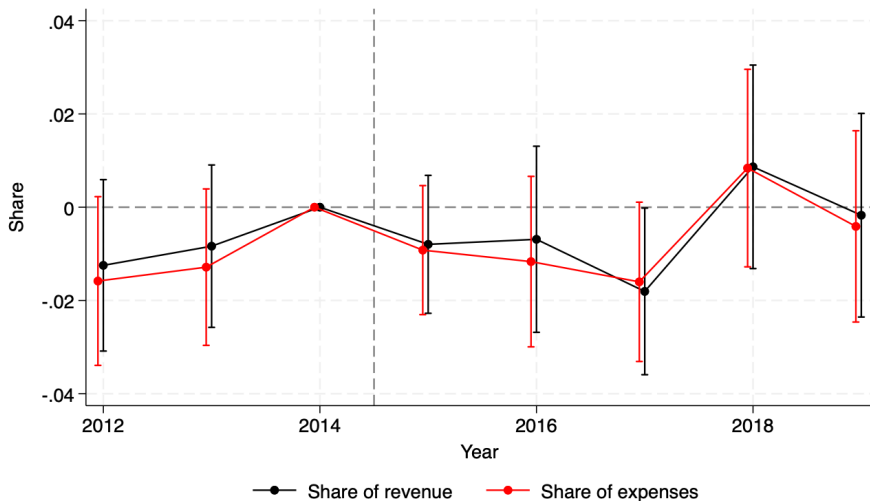
Flows to foreign related parties share



Flows to local related parties



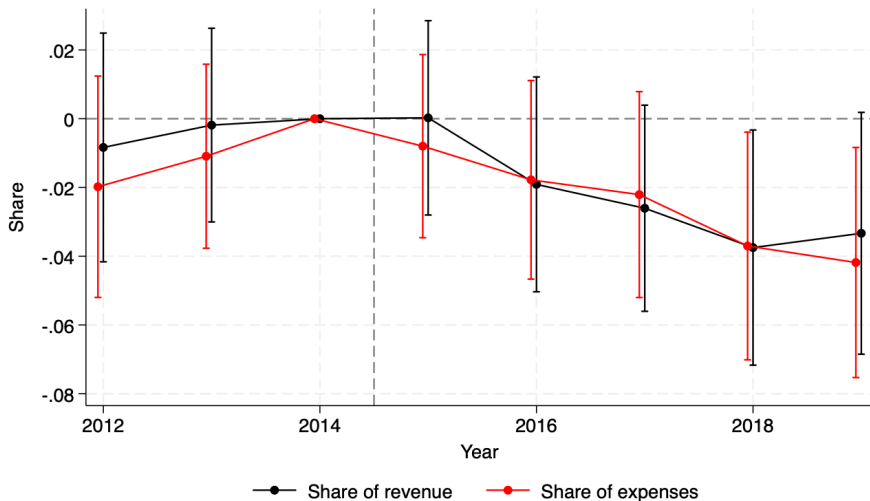
Flows to foreign unrelated parties



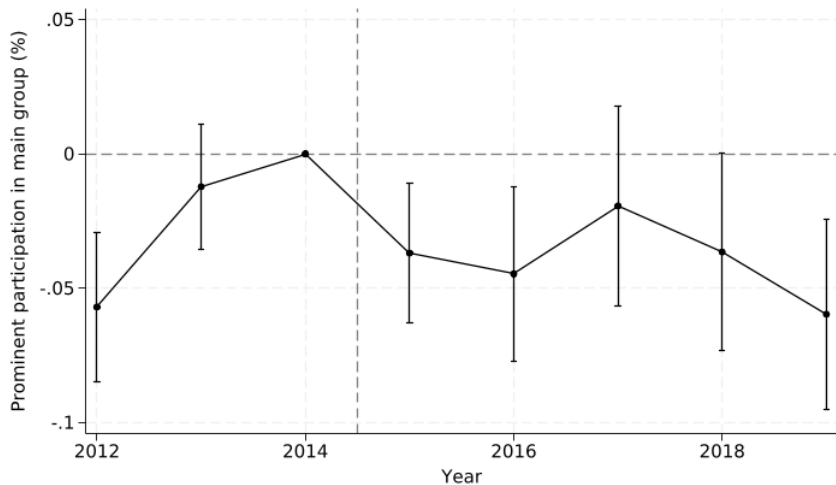
Flows to local related parties



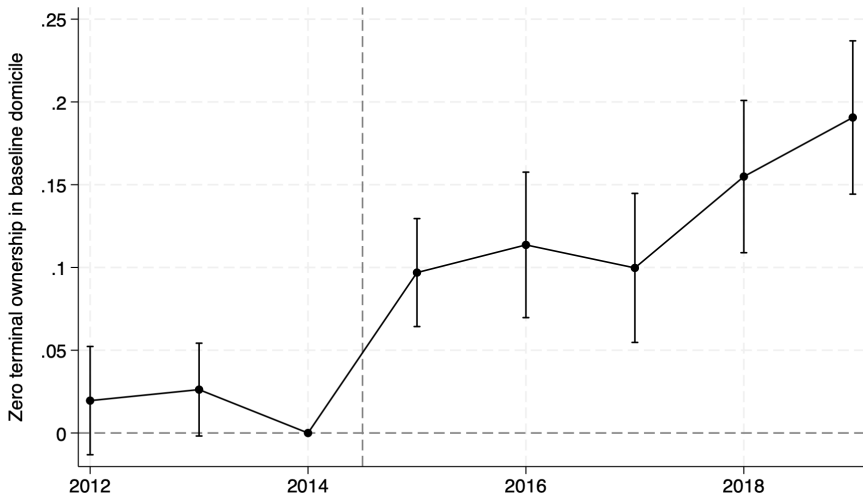
Flows to local unrelated parties



Tax haven shareholding: minority group



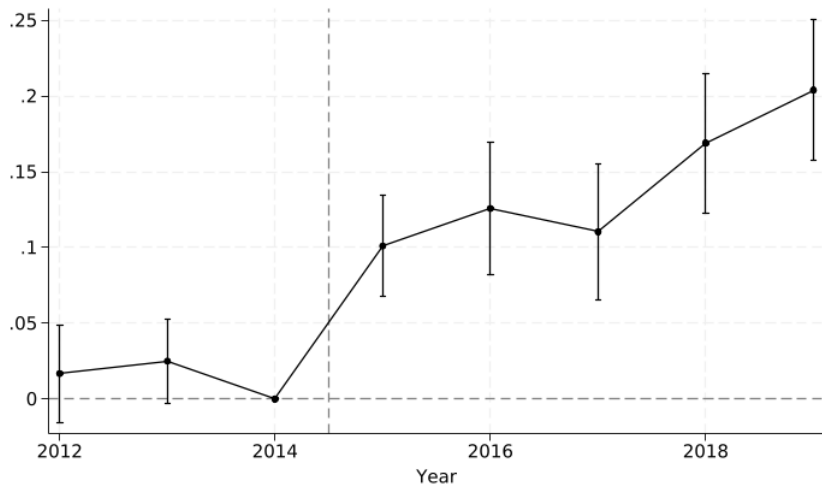
Tax haven shareholding: Probability reduced to zero



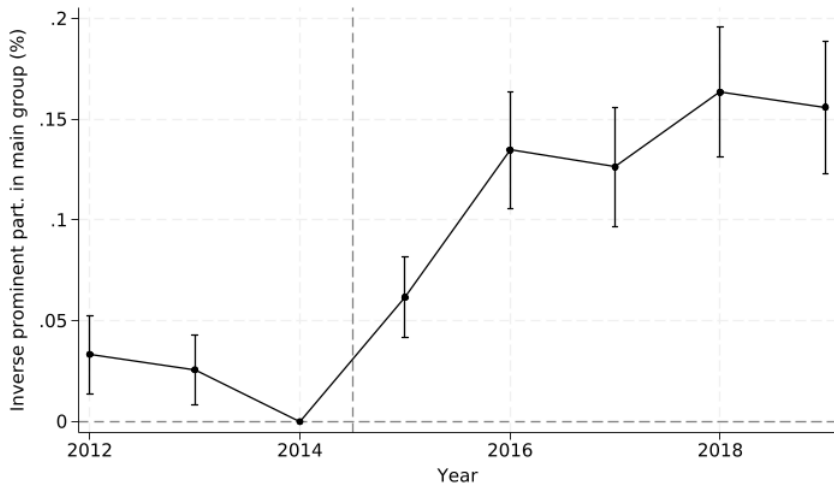
[Back to average result](#)

[Asset-weighted](#)

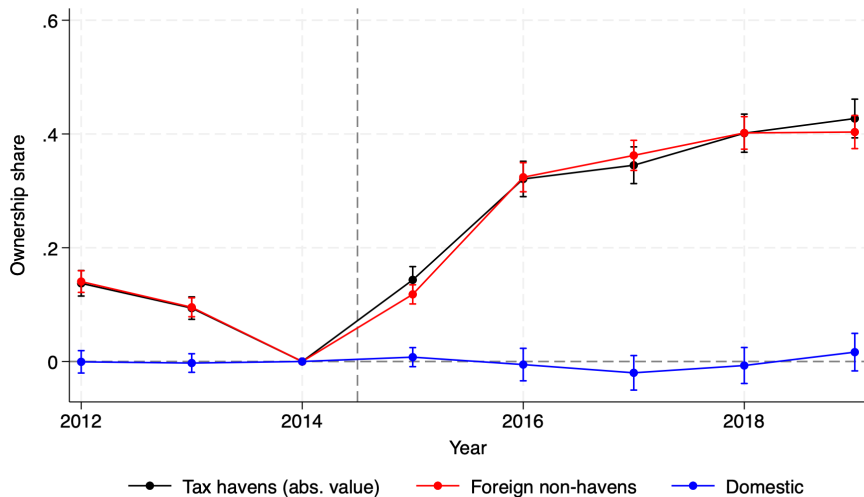
Tax haven shareholding: Probability reduced to zero



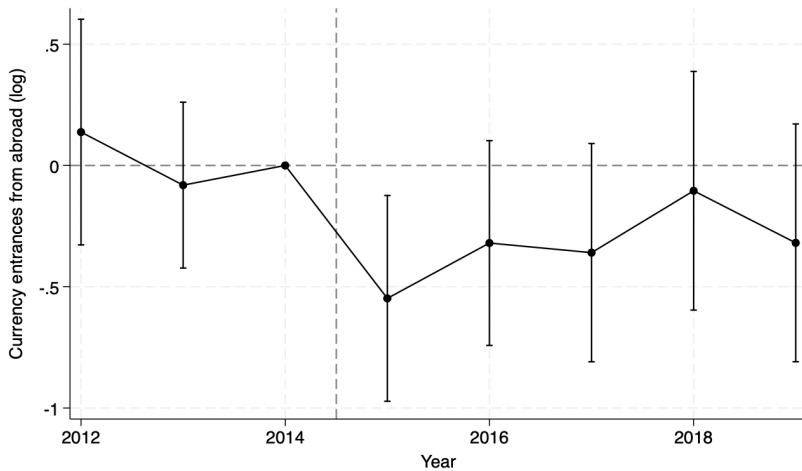
Tax haven shareholding: substitution to non-havens



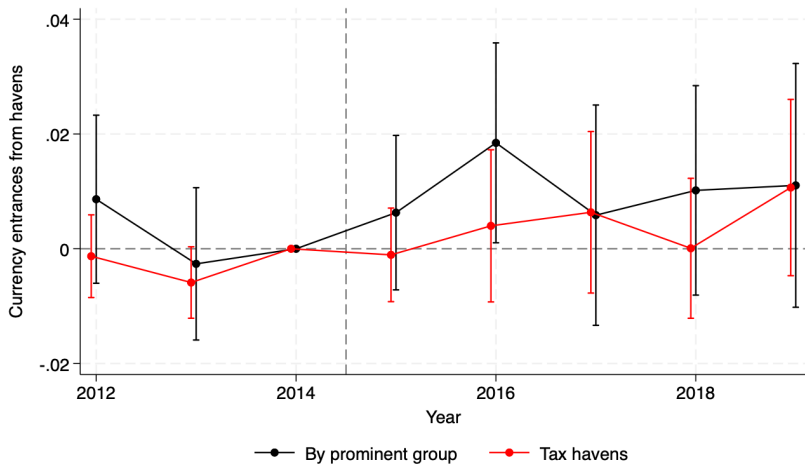
Substitution margins, no correction for mean reversion



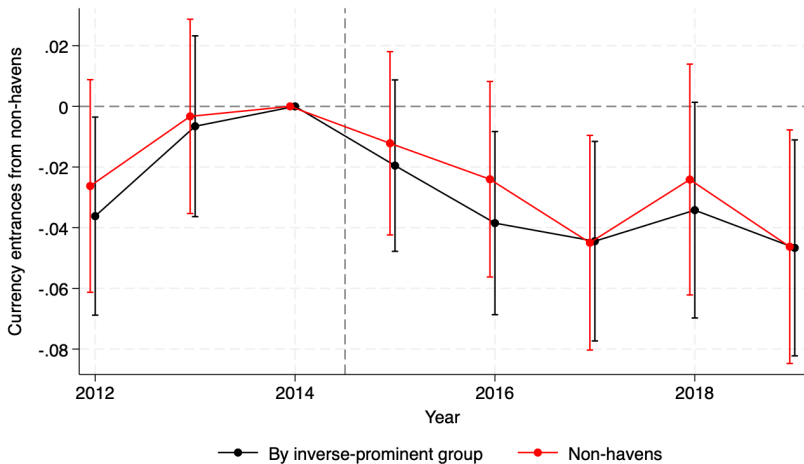
Log entrances



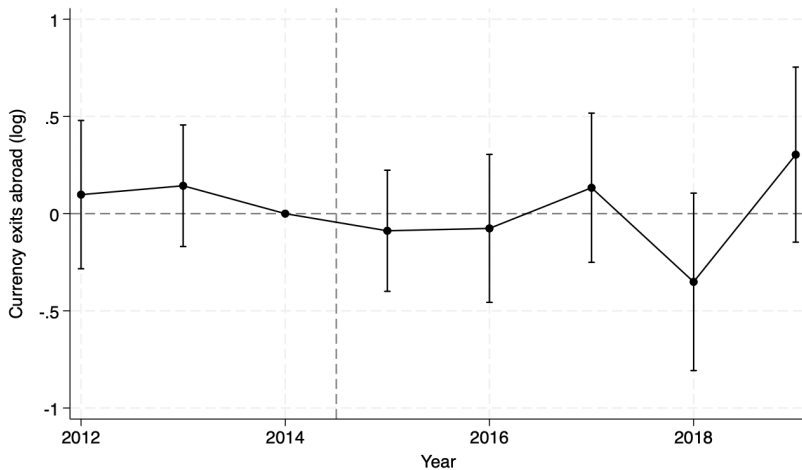
Entrances from havens (revenue ratio)



Entrances from non-havens (revenue ratio)

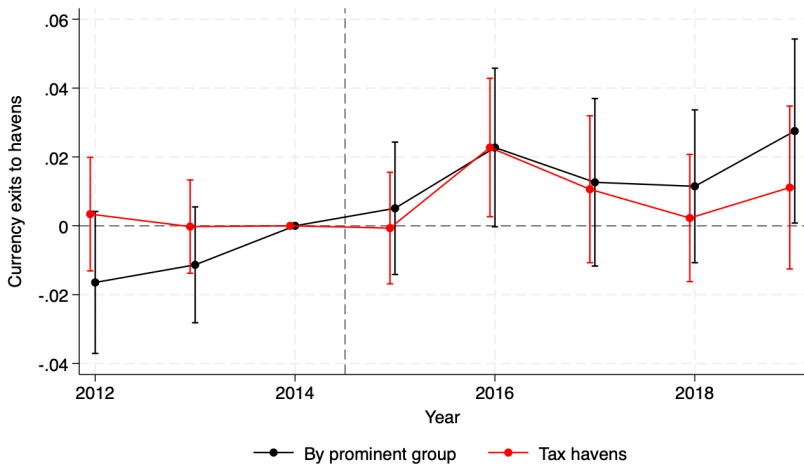


Log exits

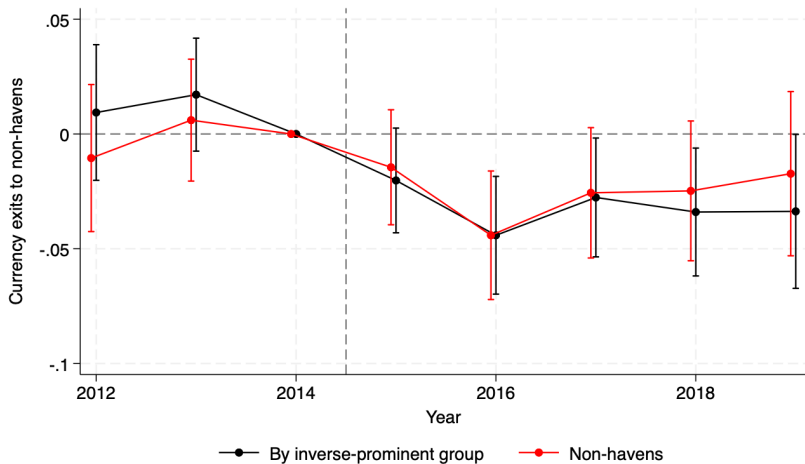


Haven remainers

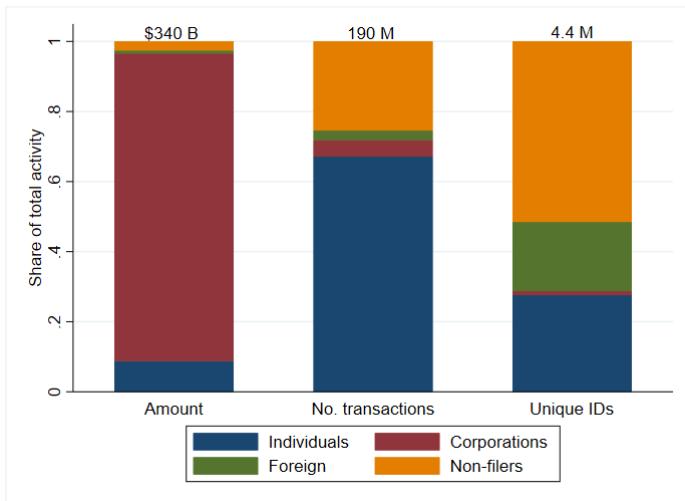
Exits to havens (revenue ratio)



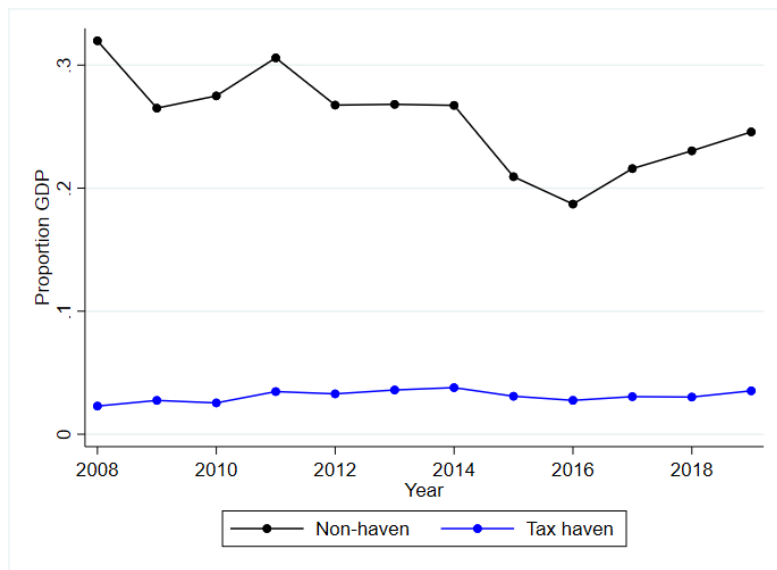
Exits to non-havens (revenue ratio)



Mid exits breakdown

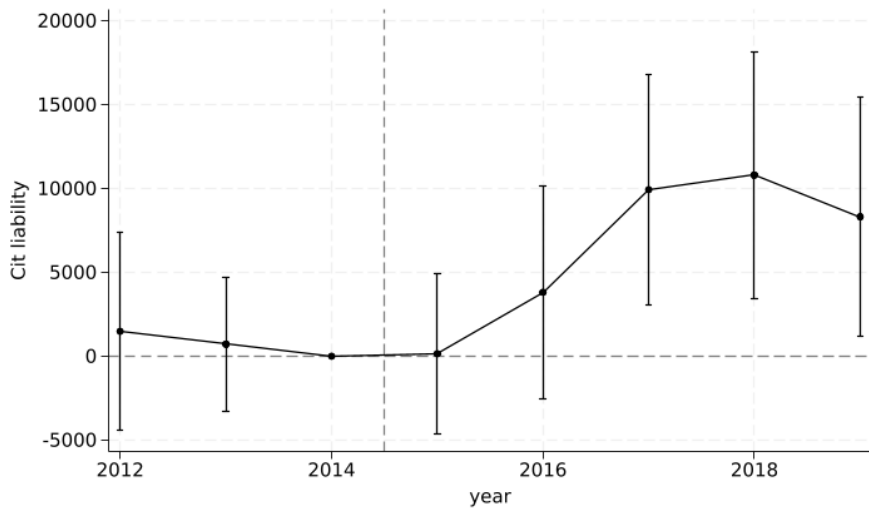


Currency exits by destination

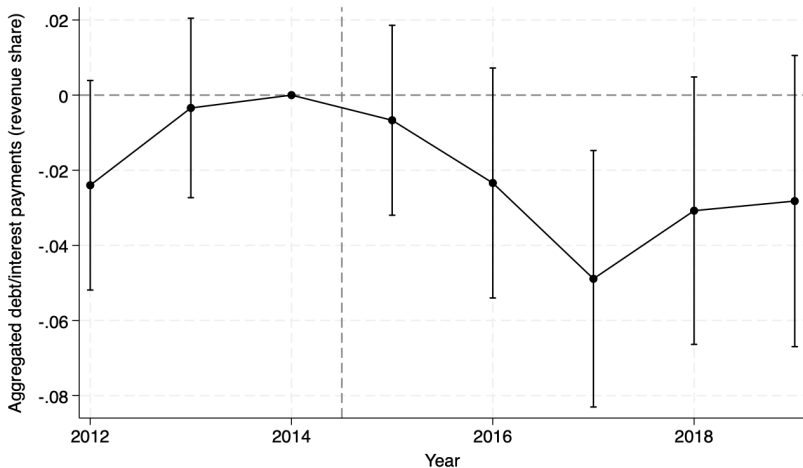


CIT liability (levels)

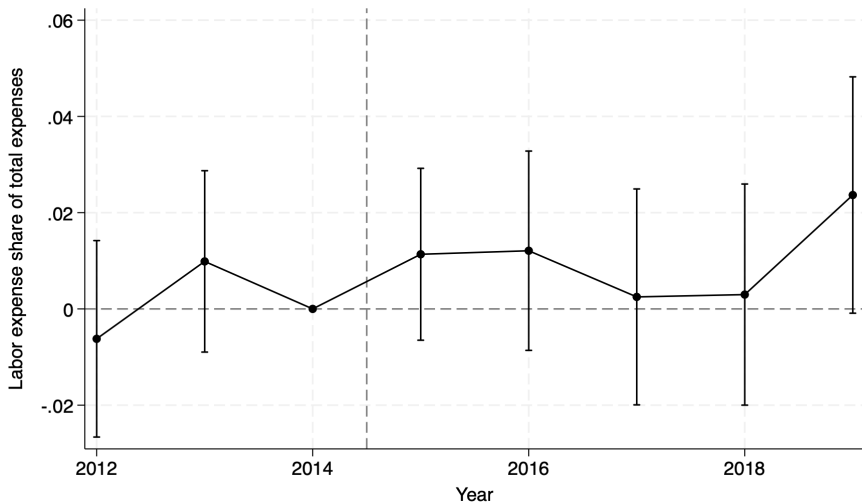
$$\hat{\beta} = 5827 \text{ (2479)}$$



Debt and interest payments (share of revenue)



Labor expense (share of overall expenses)



Heterogeneity by ex-post majority shareholder domicile

	Share of firms	Log revenue	Log total assets	Taxable profits	Any taxable profit	CIT 1000s USD	Profitability by revenue
Treatment firms repatriating shareholdings to Ecuador	7.4%	12.01 (2.765)	13.28 (2.655)	118.3 (264.7)	0.841 (.37)	26.02 (58.24)	0.203 (.2512)
Treatment firms changing to foreign non-havens	6.7%	13.97 (2.822)	14.72 (1.869)	545.6 (1616)	0.769 (.4268)	118.7 (355.5)	0.126 (.2294)
Treatment firms remaining in tax havens	78.1%	12.63 (3.072)	13.8 (2.233)	464.5 (2015)	0.739 (.4396)	102 (443.1)	0.115 (.2077)

Back

Administration of the ownership registry (APS)

- ▶ In 2012, Ecuador established a corporate ownership registry
- ▶ Firms are required to hire a government-approved auditor to oversee their annual completion of ownership and shareholdership information returns
 - ▶ Firms report the universe of their shareholders
 - ▶ Firms report all other firms they own
 - ▶ High-earning and capital-gains-declaring individuals also report

Information includes ID of all Ecuadorian parties, ownership shares (direct + indirect), ownership level, foreign party country, + other trading information

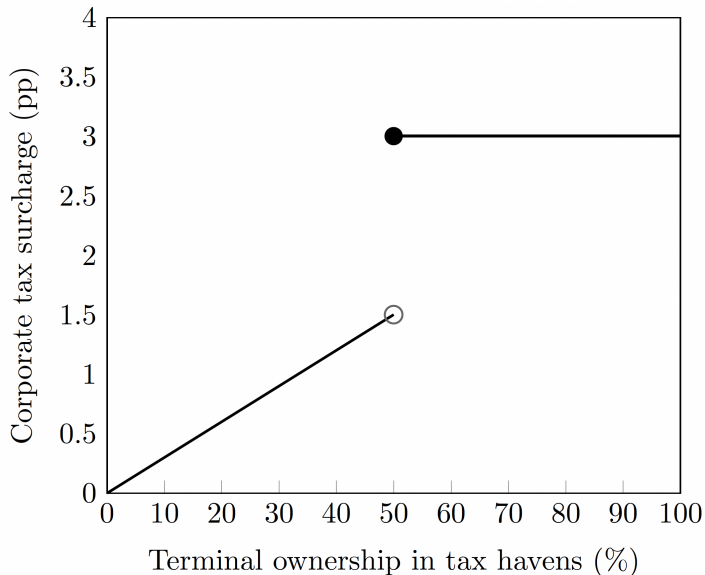
- ▶ This ownership registry ***aspirationally*** reports beneficial ownership
 - ▶ We distinguish *people* based on the presence of passport information and Ecuadorian personal ID numbers
- ▶ Compliance is mandatory and enforced via business income tax surcharge

APS ownership data (main sample, 2014)

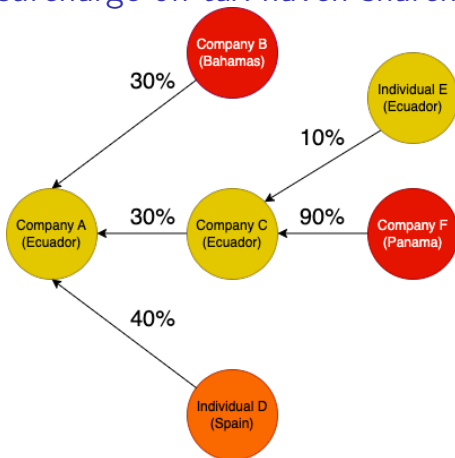
	Mean	SD	p10	Median	p90
Beneficial (or terminal) ownership:					
Ecuadorian person (%)	83.25	34.46	1	100	100
Foreign person (%)	3.966	17.60	0	0	0
Ecuadorian non-person entity (%)	8.149	24.23	0	0	30
Foreign non-person entity (%)	2.247	14.15	0	0	0
Residual (%)	2.389	15.66	0	0	0
Ownership characteristics:					
Ownership share of the plurality owner	0.615	0.300	0.200	0.520	0.998
Average chain length to terminal owner	1.054	0.347	1	1	1
Compliance:					
Filed APS in 2014	0.988	0.108			
APS terminal ownership adds to 100	0.947	0.223			
Final beneficial ownership adds to 100	0.786	0.410			
Unique firms	62350				

[Back to data](#)
[All firms \(out of sample\)](#)

CIT surcharge on tax haven shareholding



Example: CIT surcharge on tax haven shareholdership



Company A has ultimate ownership in tax havens equal to $30\% + 30\% \cdot 90\% = 57\%$. It sees a CIT surcharge of 3pp.

Company C has ultimate ownership in tax havens equal to 90%. It sees a CIT surcharge of 3pp.

Tax haven usage in a slide

- ▶ Using tax havens to lower taxes involves a tax rate differential $\tau_{home} - \tau_{haven}$
- ▶ Through illegal means: “evasion”
 - ▶ Depends on secrecy/privacy: individual establish a bank or investment account in a haven to receive and invest funds
 - ▶ Through privacy protections, the home government doesn't know about it.
 - ⇒ Emphasis on **ultimate ownership**: the “true” owner of the account

Illustration of evasion structures

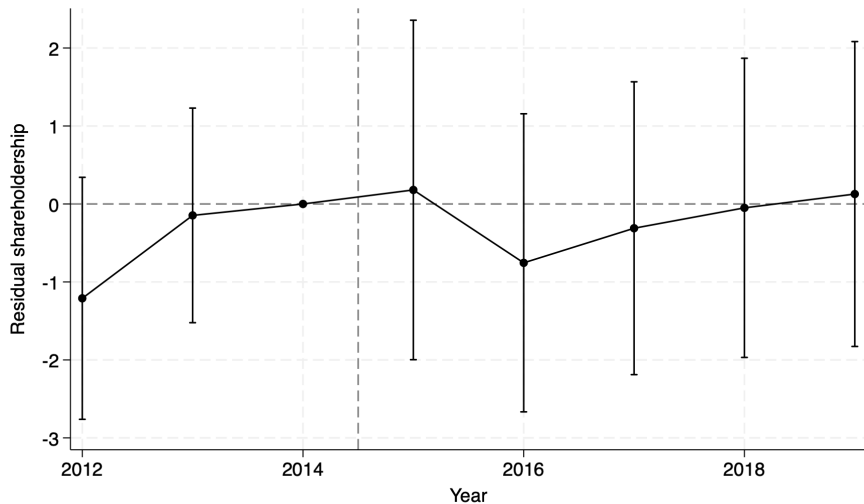
- ▶ Through legal means: “avoidance” (e.g. profit shifting); requires:
 1. Having *any* affiliate in a tax haven
 2. Having some technology to transfer funds to the affiliate
 - ⇒ Emphasis on **any** tax haven ownership among affiliates

Illustration of avoidance structures

⇒ The reform can be understood to target more illicit use of havens

Back to CIT surcharge

Residual terminal shareholdings

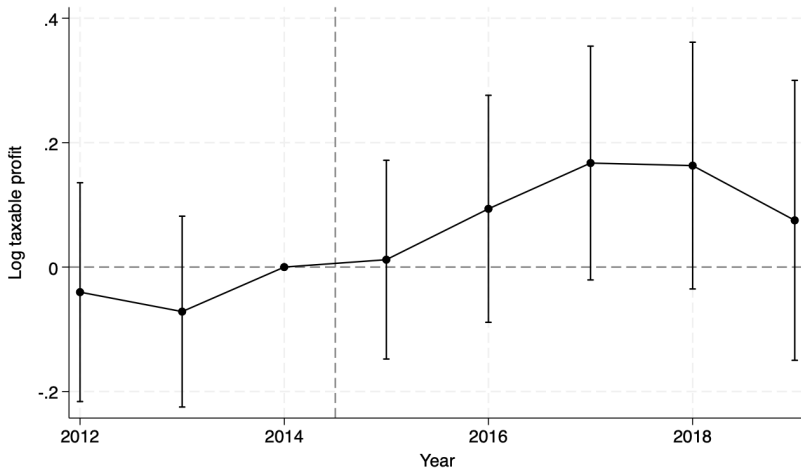


[Back to terminal ownership breakdown](#)

[Complied with information reporting](#)

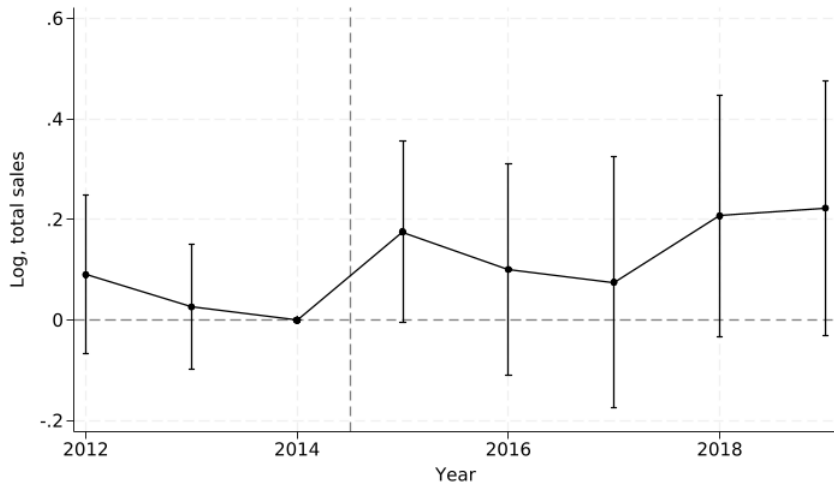
Log taxable profit

$$\hat{\beta}_{dd} = 0.135 \text{ (.068)}$$

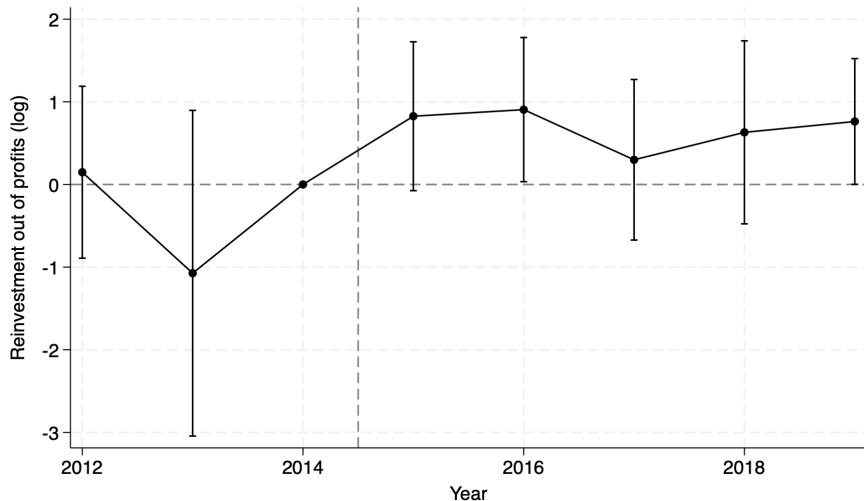


[Back to CIT](#)

Log revenues



Log reinvestment out of profit



MID validation (metadata)

Exits and entries as observable in the MID, by foreign country type (2014)

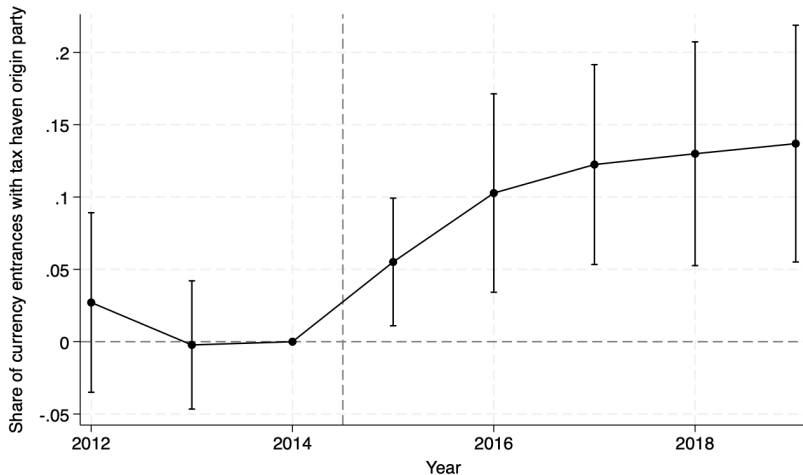
	Havens				Non-havens			
	<i>Exits</i> <i>Revenue</i>	Any exit 2012-2014	<i>Entrances</i> <i>Revenue</i>	Any entrance 2012-2014	<i>Exits</i> <i>Revenue</i>	Any exit 2012-2014	<i>Entrances</i> <i>Revenue</i>	Any entrance 2012-2014
Exposure	0.0893 (.239)	0.288 (.453)	0.0153 (.103)	0.0358 (.186)	0.180 (.319)	0.490 (.5)	0.191 (.355)	0.316 (.465)
Control	0.0401 (.159)	0.237 (.425)	0.00616 (.0678)	0.0351 (.184)	0.197 (.313)	0.544 (.498)	0.141 (.313)	0.274 (.446)

[Back to data](#)[Back to MID results](#)

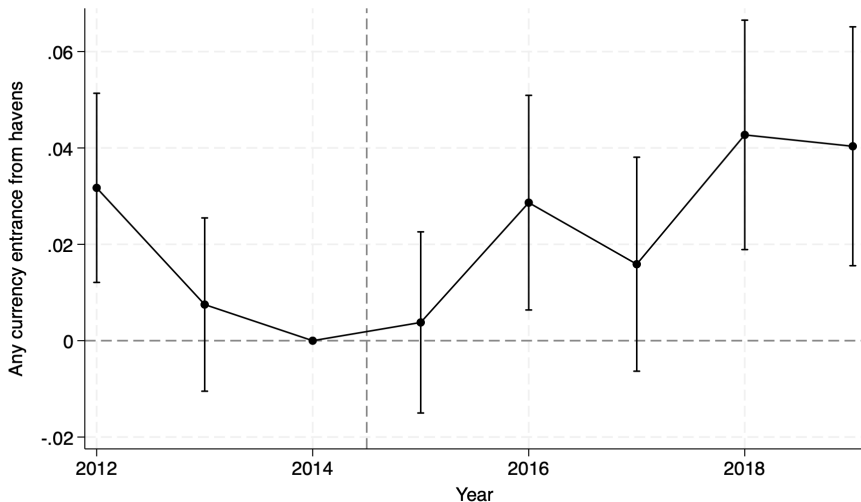
Results on MID entries

[Back to main MID results](#)

Share of all cross-border entrances from havens

[Back to main MID results](#)[Log total entrances](#)[Haven ent. \(rev. share\)](#)[Non-haven ent. \(rev. share\)](#)

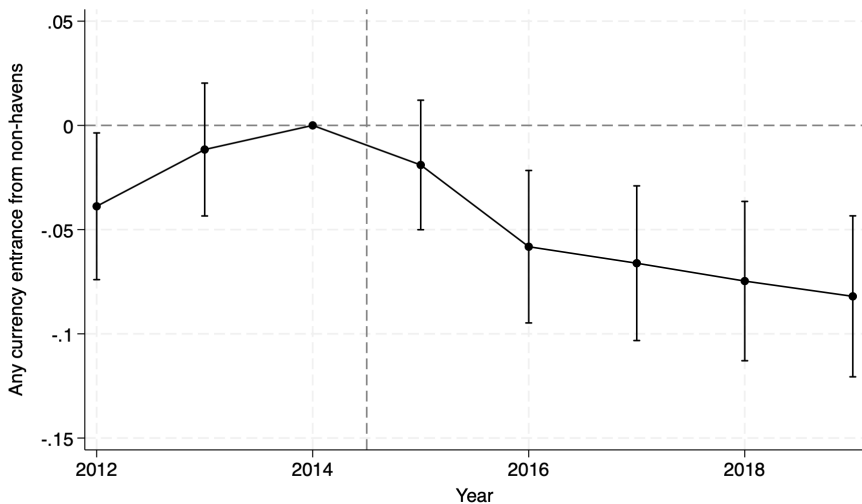
Any currency entrance from havens



[Back to main MID results](#)

[Exposure firms that left havens](#)

Any currency entrance from non-havens



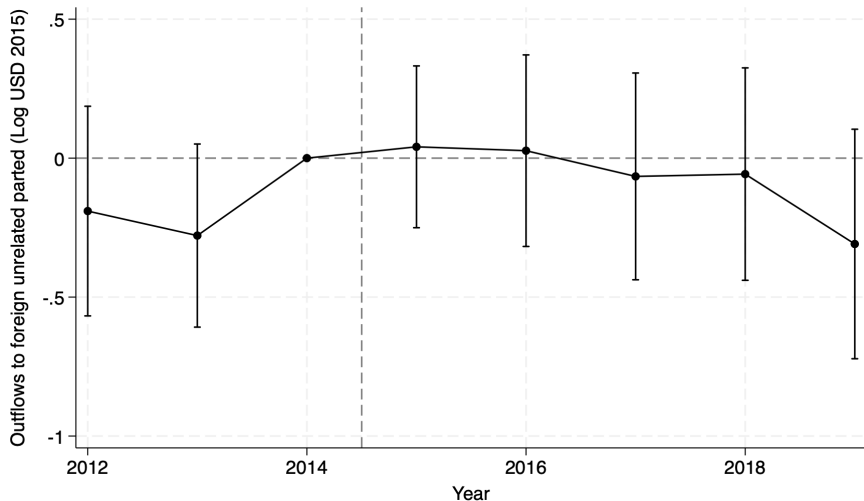
[Back to main MID results](#)

[Exposure firms that left havens](#)

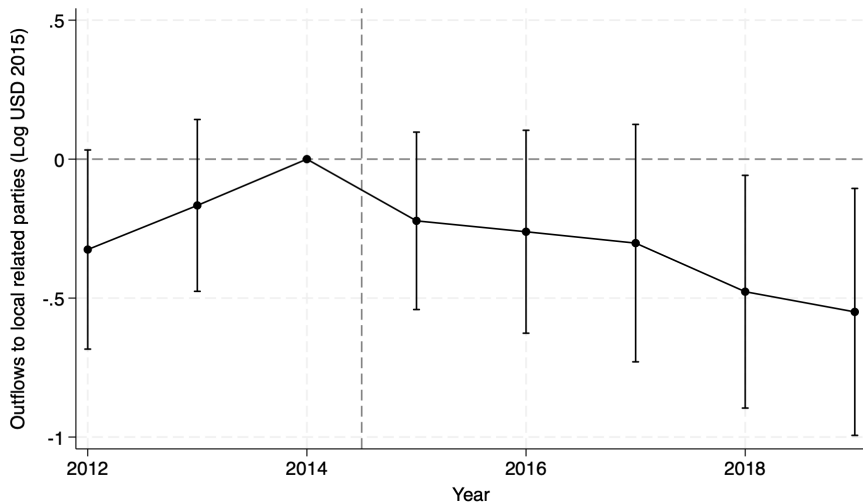
Null results on intragroup/affiliate activity

[Back to main MID results](#)

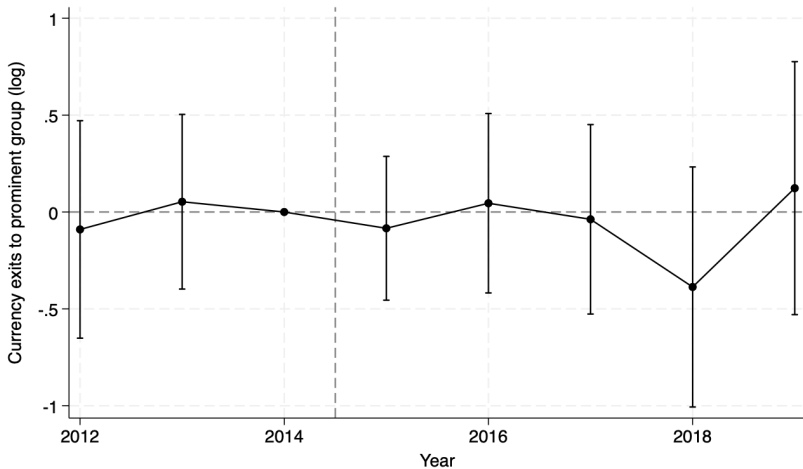
Log flows to foreign related parties



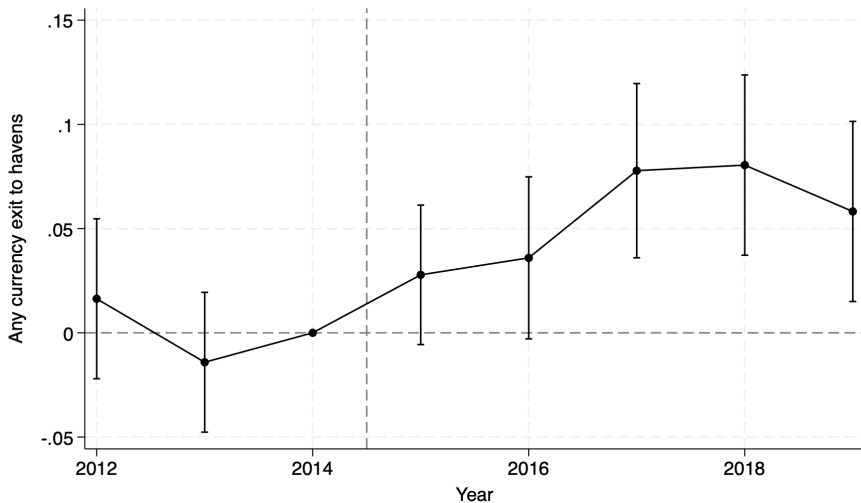
Log flows to local related parties



Currency exits to havens (log)



Any currency exit to havens



Currency exits to non-havens (log)

