

The objective of this thesis is to analyze the impact of the electronic records of sales (ERS) implemented on December 1, 2016, in the Czech Republic. The ERS orders given entrepreneurs to use special cash boxes and to send data about single sales to the Financial Authority immediately after each transaction. Experience shows that the ERS reduced tax evasion and the shadow economy. This thesis fills a gap in literature as no study has yet examined the impact of ERS on macroeconomic variables - gross domestic product (GDP) per capita, unemployment rate and harmonized consumer price index (HCPI). To analyze it, I apply SCM by Abadie and Gardeazabal (2003), Abadie et al. (2010) and Abadie et al. (2015) that proposes the way how to evaluate the impact of political interventions using a quantitative approach. Using data from the Eurostat and OECD databases from Q1 2004-Q3 2019, the method allows me to construct a counterfactual outcome for GDP per capita, unemployment rate and HCPI in the absence of the implementation of the ERS. I also apply the extension of original SCM - generalize synthetic control method by Xu (2017) and augmented synthetic control method by Ben-Michael et al. (2018) as robustness checks. Moreover, the interference procedures include the modified confidence interval by Firpo and Possebom (2018) based on a uniformly distributed probability of treatment across countries. The result suggests a statistically significant positive effect of 2.3% on GDP per capita in 2018. The overall effect on the unemployment rate and HCPI is not significantly different from zero.