Report on Bachelor / Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

Student:	**Eliska Jelinkova**
Advisor:	**Petr Jansky**
Title of the thesis:	**The Role of Tax Havens for Banks: Evidence from Two Firm – Level Datasets**

OVERALL ASSESSMENT *(provided in English, Czech, or Slovak):*

Please provide your assessment of each of the following four categories, summary and suggested questions for the discussion. The minimum length of the report is 300 words.

Contribution The master thesis is an application of the model from a recent article Dowd et al. (2017) published in a good field journal (Journal of Public Economics). Main contribution of the master thesis is an application of this model on two recent data sets and an discussion of the differences between the data sets and their defficiencies. This master thesis is a nice continuation of the previous bachelor thesis of the same author, using and updating the data set originally created in that bachelor thesis.

Methods The quantitative methods used in the master thesis are appropriate. However the work with data and regression analysis could be done more carefully. For example, looking at descriptive statistics in Table 3.1, page 16, it is clear that NA's is just 29328-NOB. How was FSI-Secrecy Score NOB 29328 obtained? Similarly for Table 3.2 on page 17.
In Table 3.3 on page 18, it is not clear with which data the correlations are computed, what is the meaning of number of observations for each cell? Take for example the cell Effective Tax Rate/Assets with n= 15752 > 15664=NOB for Assets reported in Table 3.1.
Page 26, it is Hausman, not Housman. Hausman is correctly spelled on page 41, however numerical results of tests are not reported there.

Literature Work with literature is good, using relevant up to date literature. Sometime the citation in the text is not done in a proper form.

Manuscript form The text is well structured and well written. There are some typos (I noticed typos on pages 2, 6, 13, 16, 28, 30, 48, 51, 52, 55), but not too many. Why do you include in footnote 1 on page 10 both EU and a few EU countries separately?

Summary and suggested questions for the discussion during the defense

In general, this is a nice master thesis, with a lot of work included in its preparation, especially in the work with data, and in the understanding of the topic of the bachelor and subsequently master thesis. The finding about banks grouping in their reports countries in a clear (possibly significant) violation of CRD IV directive is quite interesting and possibly important.

The master thesis reports as one of its main findings that tax havens do not play the significant role for banks. This is very different from „the role of tax havens for multinational enterprises is unquestionable" (p.1 of this master thesis). Why do you think banks behave differently (in base erosion and profit shifting area) than multinational enterprises? Are the small banks (which form a big part of dataset, especially for Orbis dataset) wery different from (presumably large and sophisticated) multinational enterprises?

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To what type of taxes are the graph 2.1 (page 4) and the related discussion about constantly decreasing tax rate refering to? Is it just corporate taxes? 15 years of constantly decreasing tax rate seem like a quite long period. Is this decrease in tax rates somehow compensated (by other tax rates or some other contribution to government budget?)

SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY		POINTS
Contribution	*(max. 30 points)*	20
Methods	*(max. 30 points)*	24
Literature	*(max. 20 points)*	19
Manuscript Form	*(max. 20 points)*	18
TOTAL POINTS	*(max. 100 points)*	**81**
GRADE	**(A – B – C – D – E – F)**	**B**

NAME OF THE REFEREE: *Karel Janda*

DATE OF EVALUATION: *May 18, 2018*

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Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

Strong	*Average*	*Weak*
30	*15*	*0*

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

Strong	*Average*	*Weak*
30	*15*	*0*

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

Strong	*Average*	*Weak*
20	*10*	*0*

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

Strong	*Average*	*Weak*
20	*10*	*0*

Overall grading:

TOTAL	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F