



Correction to: Avoiding taxes: banks' use of internal debt

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Correction to: International Tax and Public Finance

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The original version of this article contained a mistake in the table 4. The table 4 labelling is incorrect. The correct Table 4 labelling for “Dep. var.” should read as follow: 1st column as IntLiab/TA and 2nd, 3rd, 4th column as IntNetDebt/TA, 5th column IntLiab/TA and 6th, 7th and 8th column as IntNetDebt/TA. The correct Table 4 is given below.

The original article can be found online at <https://doi.org/10.1007/s10797-020-09625-2>.

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Table 4 Baseline intragroup debt regressions

Sample	All entities				Foreign affiliates			
	$\frac{IntLiab}{TA}$	$\frac{IntNetDebt}{TA}$			$\frac{IntLiab}{TA}$	$\frac{IntNetDebt}{TA}$		
Dep. var.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
CTR	0.508*	0.565**	0.363**		0.468*	0.511**	0.344**	
	(0.270)	(0.225)	(0.146)		(0.265)	(0.214)	(0.151)	
groupCTR				-0.540**				-1.036***
				(0.219)				(0.252)
Ln(TA)	-0.024***	-0.015***	0.009**	0.006*	-0.004	0.006	0.016***	0.013***
	(0.007)	(0.006)	(0.003)	(0.003)	(0.007)	(0.006)	(0.004)	(0.004)
Ln(GDP)	0.019	-0.000	0.010	-0.006	0.022	0.000	0.020	0.007
	(0.015)	(0.012)	(0.023)	(0.023)	(0.014)	(0.011)	(0.024)	(0.024)
Inflation	-0.007*	-0.005**	-0.000	-0.000	-0.013***	-0.008***	0.000	-0.000
	(0.004)	(0.003)	(0.001)	(0.001)	(0.004)	(0.003)	(0.000)	(0.001)
GDP growth	-0.010**	-0.008**	-0.001	-0.001*	-0.011***	-0.009***	-0.001	-0.001
	(0.004)	(0.004)	(0.001)	(0.001)	(0.004)	(0.003)	(0.001)	(0.001)
Fin. sector share	0.879***	0.102	1.409***	1.552***	0.495	-0.285	1.543***	1.744***
	(0.318)	(0.230)	(0.225)	(0.239)	(0.310)	(0.219)	(0.227)	(0.242)
Reg. index	-0.018**	-0.005			0.003	0.018***		
	(0.009)	(0.008)			(0.008)	(0.007)		
Cap. req.	0.221	1.256			-0.544	-0.544		
	(2.735)	(1.975)			(2.451)	(1.775)		
Time FE	✓	✓	✓	✓	✓	✓	✓	✓
Bank group FE	✓	✓	✓	✓	✓	✓	✓	✓
Bank FE			✓	✓			✓	✓
R ²	0.359	0.332	0.799	0.795	0.403	0.484	0.781	0.777
Observations	21,896	21,896	21,893	21,884	16,187	16,187	16,184	16,181

Dependent variable is the ratio of internal liabilities to total external assets in columns (1) and (4) and the ratio of internal net debt (internal liabilities net of internal claims if positive, zero otherwise) to total external assets in the other columns. *groupCTR* is the average tax rate of the bank group. *Fin. sector share* is the share of the banking and insurance sector in a country's gross value added. *Reg. index* captures the stringency of capital regulation in a country, ranging from 0 to 10 (higher values indicating greater stringency). *Cap. req.* is the legal minimum capital requirement for banks in a country. Standard errors in parentheses, clustered by bank and by country-month. ***, **, * indicate significance at the 1%, 5%, 10% levels. Regressions based on monthly data for 06/2010–12/2015 from the External Positions of Banks database of Deutsche Bundesbank (2015)

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