Online-Appendix

„Firm-wide Effects of Earnings Stripping Rules“

Christoph Rehrl
Katholische Universität Eichstätt-Ingolstadt

Junior Management Science 11(3) (2026) 642-670

Appendix

Table 1: List of Variables

DtA	Total debt to asset ratio, contains only external debt in the context of consolidated financial statements
STR	Country-specific statutory corporate income tax rate
Tangibility	Property, plant & equipment over total assets / measure for collaterals
ROA	EBITDA over total assets / measure for profitability
Ln(Assets)	Natural logarithm of assets / measure for firm size
Loss	Dummy variable that turns one if a firm's EBITDA is negative
Inflation	Country-specific inflation rate / measure for lending conditions

Notes: Table 14 describes the variable of interest and additional control variables.
Source: own presentation.

Table 2: Overview of the OECD's Earnings Stripping Rule Reform in the G20 States

Country	Date of Impl.	30% of EBITDA Threshold	Form of interest restricted	Escape Rules				Carry Forward	
				De Minimis	Standalone	Financial Group Esc.		Interest	EBITDA
						Equity	EBITDA		
Argentina	2018	Yes	internal	1m ARS	x	x	Yes	5 years	3 years
Australia	2023	Yes	total	2m AUD	x	x	Yes	15 years	x
Brazil	-								
Canada	soon								
China	-								
India	2018	Yes	foreign internal	10m INR	x	x	x	8 years	x
Indonesia	-								
Japan	2020	20% EBITDA	foreign internal	20m JPY	x	x	Yes	7 years	x
Korea	2019	Yes	foreign internal	x	x	x	x	x	x
Mexico	2020	Yes	total	20m USD	x	x	Yes	10 years	x
Russia	-								
Saudi Arabia	-								
South Africa	2023	Yes	internal	x	x	x	x	1 year	x
Türkiye	-								
United Kingdom	2017	Yes	total	2m GBP	x	x	Yes	Indefinetly	5 years
United States	2018	Yes	total	x	x	x	Yes	Yes	x
Germany	2024	Yes	total	Yes	Yes	Yes	x	Indefinetly	5 years
Italy	2019	Yes	x	x	x	x	x	Indefinetly	5 years
France	2019	Yes	total	Yes	Yes	Yes	Yes	Indefinetly	5 years
European Union	varies								
African Union	-								

Notes: Table 15 illustrates the specifics of the national earnings stripping rules at the time of the implementation in the G20 States. Notably, definitions of financial groups or the de minimis threshold application level may vary between countries. Variables are defined in Table 14 in the Appendix.
Source: own presentation based on information from the International Bureau of Fiscal Documentation (IBFD), PWC Worldwide Tax Summarize (2024b) and the EY Worldwide Corporate Tax Guide (EY, 2023).

Table 3: Robustness Test Based on the Selection of Control Variables

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Dependent variable	DtA	DtA	DtA	DtA	DtA	DtA	DtA	DtA	DtA	DtA
Treat x Reform	-0.020 **	-0.019 **	-0.019 **	-0.018 *	-0.021 **	-0.020 *	-0.020 *	-0.020 *	-0.014 *	-0.015
	(0.009)	(0.008)	(0.009)	(0.010)	(0.009)	(0.009)	(0.010)	(0.010)	(0.008)	(0.008)
STR		-0.001							-0.001 **	-0.001 *
		(0.000)							(0.001)	(0.001)
Tangibility			0.432 ***						0.475 ***	0.410 ***
			(0.051)						(0.058)	(0.058)
ROA				-0.265 **					-0.282 ***	-0.369 ***
				(0.089)					(0.045)	(0.069)
ln(Sales)										0.026 **
										(0.011)
ln(Assets)					0.049 ***				0.050 ***	
					(0.013)				(0.013)	
Loss						0.037			0.035 *	0.027
						(0.038)			(0.019)	(0.029)
Inflation							-0.001		0.000	-0.001
							(0.001)		(0.001)	(0.002)
Observations	2631	2631	2631	2631	2631	2631	2631	2631	2631	2472
Adjusted R^2	0.83	0.83	0.84	0.83	0.83	0.83	0.83	0.83	0.85	0.85

Notes: Table 16 outlines the baseline regression results for each control variable separately. Column (10) is based on the full selection of control variables but with ln(Sales) instead of ln(Assets) as a measure for firm size. Variables are defined in Table 14 in the Appendix.

* Significant at 10-percent level. | ** Significant at 5-percent level. | *** Significant at 1-percent level

Source: own calculations.

Table 4: Robustness Test Based on Different Observation Periods.

	(1)	(2)	(3)
Dependent variable	DtA	DtA	DtA
Observation period	>=2016	2017, 2019	<=2019
Treat x Reform	-0.011 *	-0.011	-0.011
	(0.005)	(0.009)	(0.009)
STR	-0.001 **	-0.001	-0.001
	(0.000)	(0.001)	(0.000)
Tangibility	0.533 ***	0.634 ***	0.431 ***
	(0.087)	(0.123)	(0.069)
ROA	-0.301 ***	-0.059	-0.246 ***
	(0.052)	(0.229)	(0.051)
ln(Assets)	0.054 **	0.104 *	0.056 ***
	(0.022)	(0.052)	(0.011)
Loss	[illegible]36 ##	0.138	0.011
	(0.022)	(0.092)	(0.045)
Inflation	0.001	0.000	-0.004
	(0.002)	(0.009)	(0.005)
Observations	2044	591	1772
Adjusted R^2	0.88	0.92	0.88

Notes: Table 17 outlines the baseline regression results for different observation periods. Column (1) includes all years from 2016 onwards. Column (2) only the two years 2017 and 2019. Column (3) all years up to 2019. Variables are defined in Table 14 in the Appendix. * Significant at 10-percent level. | ** Significant at 5-percent level. | *** Significant at 1-percent level
Source: own calculations.