

Faculti Summary

<https://faculti.net/tackling-tax-evasion-via-ghost-firms-insights-from-ecuador/>

This video discusses the issue of ghost firms, which are fake entities created for fraudulent purposes, particularly in the context of tax evasion and fake transactions. It highlights the prevalence of such firms in developing countries and the challenges faced by tax authorities in identifying and combating them. This video presents a detailed analysis of how ghost firms operate and discusses a specific case study in Ecuador where a policy intervention targeted the clients of ghost firms to increase tax compliance. The study emphasizes the importance of collecting firm-to-firm transaction data and implementing effective policies to address the issue of ghost firms and tax evasion.