



Taxation of the digitalized economy

Developments summary

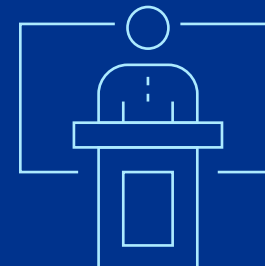
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Notices

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Taxation of the digitalized economy

Latest developments

Summary chart of latest direct and indirect tax measures

Country	Status	Tax Type	Update
	✓ <i>Enacted</i> ● <i>Proposed/Announced</i> ✗ <i>Proposal rejected/Waiting for Global Solution</i>		
France	● <i>Proposed</i>	Streaming tax	<p>On June 19, 2024, the French tax authority has initiated a public consultation on a draft guidance regarding the tax on the rental of phonograms and video music in France for private use. According to the draft guidance, Physical sales and rentals, as well as services rendered between professionals, are not subject to this tax. The tax base for the French digital content tax is the amount, excluding VAT, of revenues from amounts paid by the public for access to taxable content and sums paid by advertisers for their ads on the taxed service. Only the fraction of the subscription or price of the multi-service offer relating to access to taxable content is considered, and the tax base is the fraction of these revenues that exceeds EUR 20 million per calendar year, assessed separately for each service. The tax is due at each collection of the amounts constituting the tax base, provided that these collections have led, since the beginning of the calendar year, to exceed the threshold mentioned. The tax is payable by those who collect the amounts constituting the tax base. The tax is declared and liquidated like VAT, using the annex form to the VAT declaration n° 3310-A.</p>
India	✗ <i>Withdrawn</i>	Equalization Levy	<p>Effective August 1, 2024, India repealed the 2 percent equalization levy based on stakeholder concerns regarding its ambiguity and compliance burden. However, the 6 percent levy on advertising services is unaffected, and remains in effect.</p>
Mexico	✓ <i>Enacted</i>	VAT	<p>The Mexican tax authority recently introduced two new requirements for registering foreign digital service providers. Firstly, the provider's deeds of incorporation or bylaws must specify that the company's purpose is to provide services through a technological platform where goods are sold or leased. Secondly, the legal representative must sign an affidavit detailing the goods or services sold, the transaction website, and the main business administration address. Companies already registered for VAT on digital services in Mexico don't need to amend their bylaws, but new registrants should carefully review all formalities and evaluate their options to comply with these requirements.</p>
Netherlands	✓ <i>Enacted</i>	VAT	<p>On July 29, 2024, the Netherlands published Decree No. 2024-16101 that administrative fines on VAT e-commerce defaults will continue to be waived until January 1, 2025.</p>

Switzerland	●	<i>Proposed</i>	VAT	<p>On July 9, 2024, Swiss tax authorities released draft guidelines for the forthcoming platform rules for goods, effective from January 1, 2025. Under the new Article 20a of the Swiss VAT Act, anyone facilitating the sale of goods through an electronic interface will be deemed the seller for VAT purposes. The guidelines clarify that all types of sales, including B2B, B2C, C2C, and C2B, both domestic and imported, fall under these rules. Platforms must register for VAT if they generate annual gross receipts from non-exempt transactions totaling CHF 100,000 and operate on Swiss territory. Platforms facilitating service sales are not subject to these rules but must provide transaction information if the total transaction value exceeds CHF 1 million in the calendar year. Non-compliance could result in criminal prosecution.</p>
United Nations	●	<i>Announced</i>	N/A	<p>On August 16, 2024, the UN voted on a package of guidance for the framework of a global tax treaty.</p>

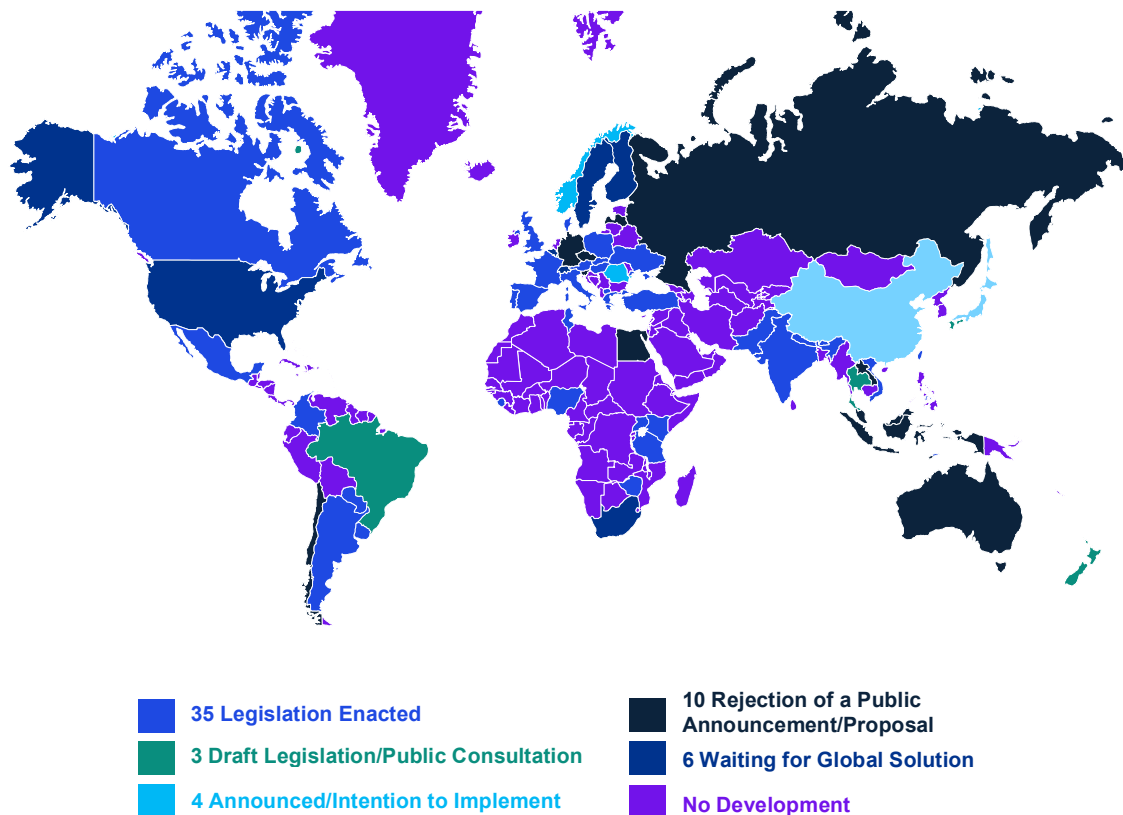
Taxation of the digitalized economy

Direct taxes

Direct taxes

Direct Taxes (e.g., DST/WHT/Digital PE)

- | | |
|------------------------|-----------------------|
| 1. Argentina | 30. New Zealand |
| 2. Australia | 31. Nigeria |
| 3. Austria | 32. Norway |
| 4. Belgium (DST/PE) | 33. Pakistan |
| 5. Brazil | 34. Paraguay |
| 6. Canada | 35. Poland |
| 7. Chile | 36. Portugal |
| 8. China | 37. Romania |
| 9. Colombia | 38. Russia |
| 10. Costa Rica | 39. Sierra Leone |
| 11. Czech Republic | 40. Singapore |
| 12. Denmark | 41. Slovakia (DST/PE) |
| 13. Ecuador | 42. Slovenia |
| 14. Egypt | 43. South Africa |
| 15. Finland | 44. Spain |
| 16. France | 45. Sweden |
| 17. Germany (WHT) | 46. Switzerland |
| 18. Greece | 47. Taiwan |
| 19. Hungary | 48. Tanzania |
| 20. India (Tax/WHT/PE) | 49. Thailand |
| 21. Indonesia | 50. Tunisia |
| 22. Israel (DST/PE) | 51. Turkey (WHT/DST) |
| 23. Italy | 52. Ukraine (WHT) |
| 24. Japan | 53. United Kingdom |
| 25. Kenya | 54. United States |
| 26. Laos | 55. Uganda |
| 27. Latvia | 56. Uruguay |
| 28. Malaysia | 57. Vietnam |
| 29. Mexico | 58. Zimbabwe |



To learn more about Taxation of the digitalized economy [BEPS Pillar One and Pillar Two \(kpmg.us\)](https://www.kpmg.us)

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Summary chart of certain enacted or proposed direct taxes

Country	Status	Effective date	Type	Rate	Applicable tax base
Argentina	✓ Enacted	December 15, 2020	DST	5 percent - 10 percent - 15 percent	Bets made through a digital platform in or from Argentina.
Austria	✓ Enacted	January 1, 2020	DST	5 percent	Revenues from advertising services on digital interfaces or any type of software or websites rendered in Austria
Belgium	✗ Waiting for Global Solution	Expected 2023 if global consensus is not reached	DST/Digital PE	3 percent	Revenues from: <ol style="list-style-type: none"> 1. Selling advertising space on a digital platform targeted at its users 2. Selling user data generated from user activities on a digital platform 3. Providing digital intermediation services to users of a digital platform by facilitating the exchange of supplies of goods or services between those users
Canada	✓ Enacted	June 28, 2024, (on revenues earned as of January 1, 2022)	DST	3 percent	Revenues from online business models including: <ol style="list-style-type: none"> 1. Online marketplaces 2. Social media 3. Online advertising 4. User data.
	✓ Enacted	September 1, 2024	Streaming tax	5 percent	The regime will require online streaming services to contribute 5 percent of their Canadian revenues to support the Canadian broadcasting system.

Taxation of the digitalized economy – Direct taxes

Country	Status	Effective date	Type	Rate	Applicable tax base
Colombia	✓ <i>Enacted</i>	January 1, 2024	SEP or alternatively DST	10 percent WHT or 3 percent DST	Services covered by the SEP: <ol style="list-style-type: none"> 1. On-line advertising. 2. Digital content (online/downloadable) 3. Streaming (tv, music, videos, etc.) 4. Any form of monetization of information and/or user data 5. Intermediation platforms 6. Digital subscriptions 7. Data management (hosting, file exchange, etc.) 8. Search engine licensing or services 9. Provision of the right to use or exploit intangibles 10. Any other service provided through a digital market 11. Other digital / electronic services
	• <i>Proposed/Intention</i>				✗ <i>Proposal rejected/Waiting for Global Solution</i>
Costa Rica	✓ <i>Enacted</i>	November 19, 2019	General income tax on digital tourist rental services income	NA	Income from provision of tourist rental services via digital platforms

Taxation of the digitalized economy – Direct taxes

Country	Status	Effective date	Type	Rate	Applicable tax base
Czech Republic	✓ <i>Enacted</i> ● <i>Proposed/Intention</i>	Proposed (stalled) TBD	DST	7 percent but may be reduced to 5 percent	Receipts from the following sources: <ol style="list-style-type: none"> targeted advertising on a digital interface; the transmission of data about users and generated from users' activities on digital interfaces; and the making available to users a multi-sided digital interface which may facilitate the provision of supplies of goods and services among users
Denmark	✓ <i>Enacted</i>	January 1, 2024	Cultural contribution levy	2 percent basic rate and potential additional 3 percent surcharge	The levy, based on the revenues generated in Denmark by on-demand audio-visual media service providers, is set at a basic rate of 2 percent for all on-demand streaming companies, with an additional 3 percent surcharge for companies that invest less than 5 percent of their Danish revenues in Danish content.
Ecuador	✓ <i>Enacted</i>	July 1, 2024	Single income tax for sports betting operators	15 percent	The tax applies to all income, including commissions, received by resident and non-resident operators from sports betting activities in Ecuador, after deducting the total prizes paid out.

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Country	Status	Effective date	Type	Rate	Applicable tax base
France	✓ Enacted	1/1/2019 but 2020 DST collection has been delayed to the end of 2020	DST	3 percent	<p>Portion of taxable services income related to France after application of the “French digital presence” ratios to the corresponding worldwide digital services receipts:</p> <ol style="list-style-type: none"> The provision of a digital interface enabling users to enter into contacts and to interact with others (“intermediary services”). The provision of services to advertisers that aim at placing targeted advertising messages on a digital interface based on data collected about users and generated upon the consultation of such interface (“advertising services based on users’ data”)
	✓ Enacted	January 1, 2024	Streaming tax	1.2 percent	The tax applies to both paid and free services providing access to recorded music and online music videos in France. It is due on amounts exceeding EUR 20 million.
Greece	✓ Enacted	July 16, 2019	General income tax on digital short-term rental services incomes	NA	Income from short-term rentals in the sharing economy through digital platforms
Hungary	✓ Enacted	July 1, 2017	DAT	7.5 percent, although the tax rate reduced to 0 percent, effective from July 1, 2019, through December 31, 2024	Net turnover for the financial year generated by the broadcasting or publication of advertisements in Hungary
India	✓ Enacted	April 1, 2022	Digital PE		Revenue related to the digital PE

Taxation of the digitalized economy – Direct taxes

Country	✓ Enacted	● Proposed/Intention	✗ Proposal rejected/Waiting for Global Solution	Effective date	Type	Rate	Applicable tax base
	✓	Enacted		October 1, 2020	WHT		Gross amount of sale of goods / provision of service facilitated through digital or electronic facility or platform
	✓	Enacted		June 1, 2016	Equalisation Levy	6 percent	Gross receipt of online advertising payments made to overseas platforms, provision of digital advertising space or any other facility or service for the purpose of online advertisement. Only applicable to B2B transactions.
	✗	Withdrawn		August 1, 2024	Equalisation Levy	2 percent	<ol style="list-style-type: none"> 1. Online sale of goods owned by the e-commerce operator 2. Online provision of services provided by the e-commerce operator 3. Online sale of goods or provision of services facilitated by the e-commerce operator (i.e., when the operator provides a platform for others to supply goods or provide services) 4. Any combination of the above
Indonesia	✓	Enacted		March 31, 2020	Digital PE	NA	Revenue related to the digital PE
Israel	●	Intention		TBD	DST	3 percent or 5 percent	TBD - it should be modelled on the French DST
	✓	Enacted		April 12, 2016	Digital PE	NA	Revenue related to the digital PE

Taxation of the digitalized economy – Direct taxes

Country	Status	Effective date	Type	Rate	Applicable tax base
Italy	✓ Enacted • Proposed/Intention	January 1, 2020	DST	3 percent	Gross revenue derived from: <ol style="list-style-type: none"> Advertising on a digital interface; A multilateral digital interface that allows users to buy/sell goods and services; and The transmission of user data generated from using a digital interface. When a taxable service is supplied in Italy in a calendar year, the taxable revenue is the percentage of worldwide revenue from digital services that is represented by the services linked to Italy. The determination of the percentage varies based on the category of digital service
Kenya	✓ Enacted	November 7, 2019	General income tax on digital income	NA	Income accruing through a digital marketplace (i.e., a platform that enables the direct interaction between buyers and sellers of goods and services through electronic means) is chargeable to tax

	✓	Enacted	January 1, 2021	DST	1.5 percent	<p>Gross revenue from:</p> <ol style="list-style-type: none"> 1. Downloadable digital content including downloadable mobile applications, e-books and films; 2. Over-the-top services including streaming television shows, films, music, podcasts and any form of digital content; 3. Sale of, licensing of, or any other form of monetizing data collected about Kenyan users which has been generated from the users' activities on a digital marketplace; 4. Provision of a digital marketplace; 5. Subscription-based media including news, magazines and journals; 6. Electronic data management including website hosting, online data warehousing, file-sharing and cloud storage services; 7. Electronic booking or electronic ticketing services including the online sale of tickets; 8. Provision of search engine and automated held desk services including supply of customized search engine services; 9. Online distance training through pre-recorded media or e-learning including online courses and training; and 10. Any other service provided through a digital marketplace
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Taxation of the digitalized economy – Direct taxes

Country	Status	Effective date	Type	Rate	Applicable tax base
	✓ Enacted	July 1, 2023	WHT	15 percent	The WHT would apply to: <ol style="list-style-type: none"> digital content creators that offer website and social media advertising, paid sponsorships, affiliate marketing, and subscriptions licensing fees that creators pay for music or photographs they use in their projects Crowdfunding for content creators or other individuals
	✗ Withdrawn	TBD	Significant Economic Presence (SEP)	6 percent	Income from the provision of services derived from or accrued in Kenya through a business carried out over a digital marketplace.
Malaysia	✓ Enacted	May 13, 2019	WHT	Variable	Generally, income tax is imposed on the income of any person accruing in or derived from Malaysia. Any income in relation to e-Commerce transactions is deemed to be derived from Malaysia if it is associated with any activities in Malaysia regardless of whether that income is received in Malaysia or otherwise.

Country	Status	Effective date	Type	Rate	Applicable tax base
Mexico	✓ Enacted	June 1, 2020	WHT	Variable	<p>Foreign digital service providers with no PE are not subject to income tax. However, intermediaries of digital services that process payments should withhold income tax for which Mexican individuals who sell goods and services on digital platforms are liable. The rate will depend on the activity performed.</p> <ol style="list-style-type: none"> 1. Ground transportation services of passengers and delivery of goods: 2.1 percent. 2. Accommodation services: 4 percent. 3. Sales of goods and services: 1 percent. <p>When the individual resident in Mexico does not provide his TIN, the withholding tax will be 20 percent.</p>
	✓ Enacted	July 17, 2022	DST	2 percent	Value of electronic services above NPR 2 million provided by non-resident
Nepal	✓ Enacted	July 16, 2024	Digital PE	N/A	Revenue related to the digital PE
	● Proposed (stalled)	January 1, 2025	DST	3 percent	Intermediation platforms, social media and content sharing platforms, internet search engines, digital advertising, and activities related to user-generated data.

Taxation of the digitalized economy – Direct taxes

Country	Status	Effective date	Type	Rate	Applicable tax base
Nigeria	✓ Enacted	February 3, 2020	Significant Economic Presence (SEP)	6 percent	<p>Gross turnover or income of more than NGN 25 million (\$32,775) from four types of digital activities:</p> <ol style="list-style-type: none"> providing streaming or downloading services of digital content, such as movies, music, games, and e-books to persons in Nigeria; transmitting data collected on Nigerian user activities on a digital interface, such as websites or apps; providing goods and services directly or indirectly through a digital platform; or providing intermediary services via a digital platform, website, or app linking suppliers to customers in the Nigerian market.
	• Proposed/Intention				
Pakistan	✓ Enacted	July 1, 2018	WHT	5 percent	Payments for offshore digital services (such as online advertising, designing, creating, hosting or maintenance of websites, providing any facility or service for uploading, storing or distribution of digital content, online collection or processing of data related to users in Pakistan, any facility for online sale of goods or services, or any other online facility) performed by non-resident persons
	✓ Enacted	July 1, 2023	Digital PE	N/A	Revenue connected to digital PE
	✗ Proposal rejected/Waiting for Global Solution				

	✓ <i>Enacted</i>	● <i>Proposed/Intention</i>		✗ <i>Proposal rejected/Waiting for Global Solution</i>		
Country	Status	Effective date	Type	Rate	Applicable tax base	
	✓ Enacted	July 1, 2024	Significant Economic Presence (SEP)	TBD	Transactions involving any goods, services, or property conducted by a non-resident with any person in Pakistan if the gross receipts from such transactions exceeds an amount that has yet to be prescribed. It also covers the downloading of data or software in Pakistan, as well as the systematic and continuous solicitation of business activities or digital interactions with users in Pakistan.	
Paraguay	✓ Enacted	January 1, 2021 (2022 if the user of the services uses a credit or debit card as a means of payment)	Non-resident Tax (INR)	15 percent	Income net of VAT from the provision of the following digital services by foreign suppliers: <ol style="list-style-type: none"> Digital distribution of multimedia content (games, movies, music, videos, among others) Data processing and storage in general, and the provision, development, or updating of software or applications in general Cable and satellite television Marketing and advertising Games of luck, chance, bets and the like Educational services provided through technological platforms 	
Poland	✓ Enacted	July 1, 2020	DST	1.5 percent	Gross revenue of on demand provider resulting from: <ol style="list-style-type: none"> access to audio-visual media service and audio-visual commercial communication 	

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	✓ <i>Enacted</i>	● <i>Proposed/Intention</i>		✗ <i>Proposal rejected/Waiting for Global Solution</i>		
Country	Status	Effective date	Type	Rate	Applicable tax base	
	● Proposed		DST	7 percent	Digital sector enterprises, regardless of their place of establishment, with a significant digital presence in the territory of Poland.	
Portugal	✓ Enacted	February 17, 2021	Exhibition levy	4 percent	Price charged (gross income) for audio-visual commercial communication included in video-sharing platforms	
	✓ Enacted	February 17, 2021	Annual levy	1 percent	Gross income from subscription video-on-demand services	

Taxation of the digitalized economy – Direct taxes

Country	Status	Effective date	Type	Rate	Applicable tax base
Sierra Leone	✓ Enacted	January 1, 2024	DST	1.5 percent	Turnover of all digital and electronic transactions, including: <ol style="list-style-type: none"> digital products, including subscription-based, downloadable and stream-able digital contents-satellite TVs, movies, music, apps, games, and e-books, software programs. services such as management and technical advisory, architectural or legal services. electronic data management, including transmission or collection of data about users in Sierra Leone. sale of goods or services directly, including online tickets and other services intermediating suppliers and customers through a digital platform. purchases via non-resident marketplaces or payment aggregators. digital gambling and betting activities. search engines and automated help desk services, e-learning platforms, audio, vision or digital media, transport hailing platforms, among others.
Slovakia	✓ Enacted	January 1, 2018	WHT	5 percent	Payments to foreign digital platforms facilitating transport and lodging services in Slovakia, acting as a marketplace for such services in Slovakia, not registered as a PE in Slovakia

Taxation of the digitalized economy – Direct taxes

Country	✓ <i>Enacted</i>	● <i>Proposed/Intention</i>	✗ <i>Proposal rejected/Waiting for Global Solution</i>	Status	Effective date	Type	Rate	Applicable tax base
Spain	✓			Enacted	January 16, 2021	DST	3 percent	Gross revenue from: <ol style="list-style-type: none"> Digital intermediation services Digital advertising services Sale of user data generated through a digital interface
Taiwan	✓			Enacted	January 1, 2017	WHT	To be agreed with the tax authority	Payments to foreign providers for online advertisement and remunerations for e-services, such as online games, videos, audio broadcast, movie, TV series, music, and online platform services.
Tanzania	✓			Enacted	July 1, 2022	DST	2 percent	Turnover of non-resident digital service providers.
	✓			Enacted	July 1, 2024	WHT	5 percent for digital contents. 3 percent for digital assets	Payments made to resident digital content creators and payments from the exchange of digital assets.
Thailand		●		Proposed	TBD	WHT	5 percent	Income from e-commerce supplies of goods and services in the country, including online advertising, gaming, shopping, and others.
Tunisia	✓			Enacted	January 1, 2020	DST	3 percent	Detailed requirement to be determined by decree.
Turkey	✓			Enacted	January 1, 2019	– WHT	15 percent	Payments made to providers of advertising services or intermediaries in return for the provision of such services via the Internet.
	✓			Enacted	March 1, 2020	DST	7.5 percent but the President can reduce to 1 percent or increase to 15 percent	Gross revenue derived from in scope services (i.e., digital advertising services, sales of any audible, visual or digital content, services for the provision and operation of a digital platform by which users may interact with each other). No deductions would be available for expenses, costs, or tax.

Taxation of the digitalized economy – Direct taxes

Country	✓ <i>Enacted</i>	● <i>Proposed/Intention</i>	✗ <i>Proposal rejected/Waiting for Global Solution</i>	Status	Effective date	Type	Rate	Applicable tax base
Uganda	✓			Enacted	July 1, 2023	DST	5 percent	Gross revenue derived from in scope services, i.e., data services; online gaming services; services delivered through an online marketplace or intermediation platform; digital content services, including accessing and downloading of digital content; cloud computing services; data warehousing; other services delivered through a social media platform or an Internet search engine; and any other digital services as the Minister may prescribe.
Ukraine	✗			Proposal rejected	TBD	IT economic zone	Choice between current 18 percent corporate tax rate or switch to a new regime of 9 percent tax	
United Kingdom	✓			Enacted	April 1, 2020	DST	2 percent	Revenue in excess of 25 million pounds derived from UK users from three types of digital activities: <ol style="list-style-type: none"> 1. Social media platforms 2. Internet search engine 3. Online marketplace

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Country	Status	Effective date	Type	Rate	Applicable tax base
Uruguay	✓ Enacted	January 1, 2018	Non-resident income tax	12 percent	<p>Income of non-residents from services related to businesses involved in the digital economy in Uruguay.</p> <ol style="list-style-type: none"> 1. Audiovisual services (e.g., video, film, and music streaming services) provided from abroad by electronic means to customers located in Uruguayan territory; and 2. Mediation or intermediation services provided from abroad by electronic means between the supply and the demand of services (e.g., accommodation, transport, etc.) in which one or both parties are located in Uruguayan territory.
Vietnam	✓ Enacted	January 1, 2021	WHT	Variable	Income derived by non-residents from digital and e-commerce operations in Vietnam
Zimbabwe	✓ Enacted	January 1, 2019	General income tax on certain digital services income	5 percent	Any amount receivable by or on behalf of an e-commerce platform/satellite broadcasting service provider domiciled outside Zimbabwe from persons resident in Zimbabwe.

Country specific detail – Direct taxes

✓ *Enacted* ● *Proposed/Announced* ✕ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
ATAF	● Announced	April 4, 2024	<p>The African Tax Administration Forum (ATAF) published a paper on the “Suggested Approach to Drafting Digital Services Tax Legislation”. The paper provides a draft legislation template for the introduction of a DST. This includes a suggested DST rate of 1 percent to 3 percent, with a suggested scope of revenue that includes the following:</p> <ul style="list-style-type: none"> • Digital services revenue attributable to [Implementing Country] arising from online advertising services; • Digital services revenue attributable to [Implementing Country] arising from data services; • Digital services revenue derived from users located in [Implementing Country] arising from the provision of online marketplace or intermediation platform services, other than the following; • Digital services revenue derived from users, no matter where located, in respect to the facilitation of rental or use of real property located in [Implementing Country]; • Digital services revenue derived from users, no matter where located, in respect to the facilitation of vehicle hire services which commence in [Implementing Country]; • Digital services revenue derived from users located in [Implementing Country] arising from digital content services, online gaming services, and cloud computing services; and • Digital services revenue attributable to [Implementing Country] arising from any other digital services. <p>The draft legislation template also includes provisions for determining digital services revenue, de minimis thresholds based on worldwide and country revenue, duty to file returns, appointing local representatives, etc.</p> <p>On July 12, 2023, following the Inclusive Framework’s announcement of the the updated “Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy” package, the ATAF noted concerns regarding the commitment of the IF members not to impose newly enacted DSTs and relevant similar measures between January 1 and December 31, 2024 if a so-called critical mass of jurisdictions sign the Amount A Multilateral Convention (MLC) by the end of 2023.</p>	1

✓ *Enacted*
● *Proposed/Announced*
✗ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite	
			On April 4, 2024, the ATAF published a policy paper titled "Taxing Digital Firms in Africa". The paper proposes various strategies for taxing the digital economy in Africa, which countries can adapt to their specific tax policy objectives. These strategies include waiting for the Pillar One Amount A MLC to take effect, implementing DST legislation that is not based on income tax as per ATAF's recommendation, incorporating DST legislation into the Income Tax Act, adopting alternative nexus rules, and implementing Article 12B of the United Nations Model Tax Convention. ATAF emphasizes that DSTs and the other alternative nexus rules have a broader scope than the Pillar One Amount A MLC and will apply to all or a significant number of digital firms operating in the country. In contrast, the MLC is estimated to apply to just over 100 multinational enterprises.		
Argentina	✓	Enacted	December 23, 2019	On December 23, 2019, the Argentinian Congress passed Law 27,541, which among other things imposes on resident individuals and legal entities a temporary tax (PAIS) on the acquisition of goods and services from non-resident persons. The tax generally applies at a rate of 30 percent, but digital services are taxed at the lower rate of 8 percent. While like a DST it applies to the acquisition of goods and services from non-resident persons, Argentina's PAIS is not restricted to persons or companies engaged in the digital economy, and in fact applies a lower rate of tax to those companies. Argentina's PAIS also does not appear to be primarily related to BEPS concerns.	2
	✓	Enacted	December 28, 2020	Argentina has introduced changes to the taxation of online gambling. Effective December 15, 2020, a 5 percent tax is imposed on bets made through a digital platform in or from Argentina. The standard tax rate is increased to 10 percent where a non-resident participates directly or indirectly in the exploitation of the gambling platform and to 15 percent where the non-resident is in a non-cooperative or low/no tax jurisdiction.	3
	✓	Enacted	April 14, 2021	Since 2011 the tax law requires the recipient of digital services to pay the tax, without prejudice to the right of reimbursement by a non-resident provider. However, this requirement had been postponed until January 1, 2021, and there was no payment mechanism. On March 17, 2021, the province of Buenos Aires published Resolución Normativa ARBA 9/2, which established the turnover tax procedures for "surrogate taxpayers", in lieu of non-residents that provide digital services subject to tax, in the province of Buenos Aires. For these purposes, surrogate taxpayers are those receiving digital services from abroad and that, at the same time, are collection agents of national taxes. Digital services are defined as those provided via the	4

✓ *Enacted* ● *Proposed/Announced* ✗ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite	
			<p>internet and are subject to the tax when the provider has a significant digital presence in the province of Buenos Aires.</p> <p>Resolución Normativa 9/21 is immediately effective, and the tax payment corresponding to the month of February 2021 had a due date between March 18 and March 31, 2021 (the exact date of payment depending on the national tax identification number (CUIT) of the service recipient). The tax payment corresponding to January 2021 was due by March 31, 2021. It also establishes that the digital services tax is due (assuming there is a significant digital presence) when the foreign provider appears on a list published by the provincial tax authority.</p>		
Australia	✗	Announced	March 20, 2019	<p>The Australian Treasurer Josh Frydenberg has issued a press release announcing that Australia will not proceed with an interim measure for the taxation of the digital economy.</p>	5
	●	Proposed	August 23, 2022	<p>On August 3, 2022, legislation that would require operators of electronic distribution platforms to report information to the Australian Taxation Office (ATO) relating to transactions facilitated through their platforms has been introduced in the House of Representatives. Under the proposal, an “electronic distribution platform” is defined as a service (including a website, internet portal, gateway, store or marketplace) delivered by means of electronic communication, when the service allows entities to make supplies available to end-users. The types of reportable transactions generally comprise those that are for consideration, occur between a buyer and seller for a supply (including a supply of goods, services, real property, or advice and information), and made through the platform by the seller. Supplies involving the transfer of ownership (i.e., legal title) of goods or real property, or financial supplies, would be excluded from the regime.</p> <p>The precise information to be provided by an operator has yet to be specified, but it is expected that the information to identify the seller and the nature of the transaction would be requested.</p> <p>The regime is proposed to apply from July 1, 2023, for transactions in relation to the supply of taxi travel and short-term accommodation, and from July 1, 2024 for all other transactions.</p>	6
Austria	✓	Enacted	February 24, 2020	<p>The Austrian DST is imposed effective from January 2020 at a rate of 5 percent on gross receipts from advertising services rendered by service providers in Austria with i) global gross receipts of Euro 750M or more, and ii) turnover in Austria from online advertising services of at least Euro 25M. A digital advertising service will be deemed to be rendered in Austria if: i) it is received on a device with an Austrian IP address, and ii) if the</p>	7

✓ *Enacted* ● *Proposed/Announced* ✗ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
			<p>advertisement addresses Austrian users. The Government also published the implementing regulation, which applies from January 2020.</p> <p>Finally, the Ministry of Finance released guidance concerning the rules for registration and payment of the DST: monthly DST payments are to be remitted by the 15th day of the second month following the subject month, with the initial DST payment for January 2020 due by mid-March 2020.</p>	
Belgium	✗	Waiting for Global Solution	<p>October 2, 2020</p> <p>The Belgian Parliament was considering a modified draft digital services tax proposal. The text was based on the proposal put forward by the EU Commission in 2018 and was generally consistent with the draft legislation originally introduced in Parliament in January 2019, but with modified thresholds:</p> <ul style="list-style-type: none"> • Proposal 1: 3 percent tax on revenue from activities such as the selling of user data by companies with annual worldwide revenues of Euro 750M from digital services activities (as opposed to both digital and non-digital activities as under the EU Commission’s proposal and the prior draft legislation) and national taxable revenues from digital activities of Euro 5M (versus Euro 25M under the EU Commission’s proposal and the prior draft legislation); • Proposal 2: making digital companies subject to corporate income tax in Belgium when they provide digital services in the country regardless of no physical presence. <p>The new Belgian government, which was sworn in October 1, 2020, has decided to support the ongoing efforts at the OECD and European level to reform international taxation:</p> <ul style="list-style-type: none"> • According to the new government, there must be a form of digital tax, preferably by international agreement. If such an agreement is not possible, Belgium will introduce a digital services tax but only as from 2023. • Belgium will support the implementation of a minimum tax (Pillar 2 of BEPS 2.0). • The government supports the implementation of the OECD recommendations in EU law. 	8
Brazil	●	Proposed	<p>April 26, 2023</p> <p>In April 2023, the Brazilian Ministry of Finance announced the intention to implement a digital tax. At this stage, however, the details of this tax are not yet clear.</p>	9

✓ *Enacted* ● *Proposed/Announced* ✗ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
			<p>In October 2022, a bill was introduced in Brazil’s Lower House (Bill of Law n. 2630/2020), which would create a regulatory framework for content moderation on social media and other online platforms. Although not tax driven, the bill might have significant tax implications, including in particular: <i>“Art. 21 The sale of advertisement and boosting by social network and instant messaging service providers based abroad must be made and recorded by its representative in Brazil and in accordance with the local legislation governing advertising, whenever targeting the Brazilian territory.”</i></p> <p>Note that the proposed legislation does not specifically mention. Nonetheless, considering that the sale of advertisement and boosting would be recorded by the local representative, it would be taxed as a local revenue.</p>	
Cambodia	● Announced	January 11, 2021	<p>According to a study developed by the Centre for Inclusive Digital Economy at the Asian Vision Institute, Cambodia should consider adopting a digital services tax given the country’s developing digital landscape and the growing revenue need. The Cambodian government has already signalled a willingness to consider ways to tax cross-border digital activity. However, it is unclear whether Cambodia is seriously considering a DST, a VAT on digital services, or something else. Cambodia’s Ministry of Commerce confirmed that it had agreed on December 23, 2020, to establish internal teams to “learn more about mechanics and procedures in collecting taxes on digital services” globally and regionally, with input from relevant ministries and the private sector.</p>	10
Canada	✓ Enacted	July 8, 2024	<p>State of play</p> <p>On July 3, 2024, Canada’s Governor in Council finalized the enactment of the new three percent digital services tax (DST) by setting the coming-into-force date as June 28, 2024.</p> <p>On April 16, 2024, Canada released its Federal Budget 2024. The budget reaffirms the country’s intention to implement a DST regime, given the delays in finalizing the Pillar One Amount A.</p> <p>On November 21, 2023, the Finance Minister delivered the government’s 2023 fall economic update. Bill C-59, which among others, includes legislation to implement the DST, received first reading in the House of Commons on November 30, 2023.</p> <p>On March 28, 2023, the Federal Budget for 2023 was presented, reiterating the government’s commitment to the OECD BEPS 2.0 project. It also indicates, however, that unless the Pillar One multilateral convention is</p>	11

✓ *Enacted* ● *Proposed/Announced* ✗ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
			<p>signed by mid-2023 with a 2024 effective date, the Government will move forward with the DST proposal. To that end, a revised draft DST legislative proposal will be released for public comments before introducing a bill in Parliament. The budget reiterates that the DST could be imposed as of January 1, 2024, in respect of revenues earned as of January 1, 2022.</p> <p>On July 12, 2023, the Minister of Finance issued a statement reiterating the support to the Two Pillar plan and also clarifying that Canada will move forward with its own DST from January 1, 2024 if the treaty to implement Pillar One has not come into force.</p> <p>On August 4, 2023, Canada published a revised draft of the DST legislative proposal and explanatory notes for public consultation. The public consultation was open through September 9, 2023.</p> <p>Background</p> <p>On April 19, 2021, Canada released the Federal Budget which would introduce a new 3 percent DST effective January 1, 2022, on revenue streams from online marketplace, social media, online advertising and user data of certain large businesses. The new DST would generally apply to businesses that meet both of the following thresholds:</p> <ul style="list-style-type: none"> • Global groups revenues from all sources of €750 million or more in the previous calendar year; and • In-scope revenue related to Canadian users of more than CA\$20 million in the particular calendar year (the new DST would only apply to in-scope revenue over that CA\$20 million threshold). <p>The DST liability would not be eligible for a credit against Canadian income tax payable but could be deductible in computing taxable income in certain circumstances. The budget also notes that the new DST would apply based on the calendar year (instead of the fiscal year).</p> <p>The budget only contains highlights of the new DST proposal but does not include draft legislation. The government invites stakeholder comments by June 18, 2021. It is also confirmed that that the DST would be a temporary measure that will be repealed once international consensus is reached.</p> <p>On December 14, 2021, Canada’s Finance Minister delivered the government’s 2021 fall economic update, which includes draft legislation to implement a 3 percent DST on revenue earned by “large businesses” from certain digital services that rely on data and content contributions from Canadian users. The tax would be imposed as of January 1, 2024, but only</p>	

✓ *Enacted* ● *Proposed/Announced* ✗ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite	
			<p>if the OECD/G20 Inclusive Framework’s multilateral approach has not come into force by that time. In that event, the DST would be payable as of 2024 for revenues earned as of January 1, 2022.</p> <p>On August 9, 2022, Canada Finance’s Department reiterated that it will implement a DST on corporation with a large digital presence if the global solution deal fails.</p> <p>The Federal Budget for 2022, presented on April 7, 2022, includes a proposal to require digital platform operators to collect and report relevant information about sellers that use their platform to tax authorities (based on the OECD model rules). This measure requires platform operators to determine the jurisdiction of residence of their reportable sellers and report certain information about those sellers. Reporting platform operators are considered to be entities that are engaged in contracting directly or indirectly with sellers to make the software that runs a platform available for the sellers to be connected to other users, or entities collecting compensation for the relevant activities facilitated through the platform. Under these rules, the CRA will automatically exchange this information with partner jurisdictions. These exchanges would take place under provisions in tax treaties and similar international instruments. The measure would apply to calendar years beginning after 2023, with the first reporting and exchange of information to take place in early 2025 with respect to the 2024 calendar year.</p>		
	✓	Enacted	June 4, 2024	<p>On June 4, 2024, the Canadian Radio-television and Telecommunications Commission announced the introduction of a streaming tax. The regime, effective from September 1, 2024, will require online streaming services to contribute 5 percent of their Canadian revenues to support the Canadian broadcasting system.</p>	12
Chile	✗	Proposal rejected	January 14, 2020	<p>The August 2018 proposal to introduce a 10 percent digital tax on digital services provided by foreign platforms was abandoned.</p>	13
China	●	Announced	December 17, 2020	<p>A Chinese securities regulator said that the government should conduct an in-depth study to determine whether a digital services tax based on the concept that users create value should be implemented.</p>	14
Colombia	✓	Enacted	December 1, 2023	<p>On December 13, 2022, the 2022 Tax Reform was enacted. It includes a “significant economic presence” (“SEP”) as a new nexus criteria for tax liability in Colombia for foreign companies that sell goods or provide digital based services to Colombian users or clients. The SEP rules will entry into force as from January 1, 2024.</p>	15

✓ *Enacted* ● *Proposed/Announced* ✕ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
			<p>A foreign entity will have a SEP in Colombia if the following requirements are met:</p> <ul style="list-style-type: none"> – For the sale of goods, it is necessary that a foreign entity obtains income exceeding approx. USD275,000 per year and regularly sells goods to Colombian users/clients (there are certain rules to determine whether there is a regular interaction with Colombian users/clients). The rule includes an anti-fragmentation rule to aggregate sales performed by related parties. – For the provision of digital based services, the aforementioned requirements should be met and the service should fall within the list of services that would trigger a SEP in Colombia. <p>Foreign companies with SEP in Colombia would be subject to tax in Colombia via withholding tax at a rate of 10%; for this purpose, the withholding agent would be either the issuer of the credit/debit card, the cash collecting agent or the payment gateway (further regulation to be issued by the Colombian Tax Authorities). Alternatively, the foreign company with SEP in Colombia may opt to file an annual tax return in Colombia and pay a 3% tax over the gross income derived from the sale of goods or the provision of services to Colombian users; in this case, the 10% withholding abovementioned would not be applicable.</p> <p>The Colombian SEP rules will not apply if the foreign entity is a resident in a jurisdiction with a Double Tax Treaty in force with Colombia or in case the Colombian SEP rules contravenes a future multilateral agreement on the matter.</p> <p>On November 27, 2023, the Ministry of Finance of Colombia issued the final regulations on the SEP rules. The regulations include specific definitions for terms, sourcing transactions to Colombia, and obligations of taxpayers who meet SEP in Colombia.</p>	
Costa Rica	✓ Enacted	November 19, 2019	<p>A law regulates the provision of tourist rental services of non-traditional hosting via digital platforms and provides that taxes are to be paid by the trading companies. The law includes, among others, that: a) intermediaries provide information required by state institutions and withhold and pay the corresponding taxes; b) trading companies through online platforms, shall apply the corresponding taxes, regardless of whether are domiciled in Costa Rica or not.</p>	16

✓ *Enacted* ● *Proposed/Announced* ✗ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
Czech Republic	✗	Proposal rejected April 20, 2022	<p>The DST bill seems to have come to a dead end as it was not approved by the Czech Lower House of Parliament before the parliamentary elections that took place in early October 2021 and the winning coalition supports the DST solution at the OECD level.</p> <p>By way of a background, the Government submitted to the Parliament the final bill which would introduce a 7 percent DST on revenues from i) targeted advertising on a digital interface (minimum threshold CZK 5M from in scope revenue from CZ); ii) the transmission of data about users and generated from users' activities on digital interfaces (minimum threshold CZK 5M from in scope revenue from CZ); iii) the making available to users a multi-sided digital interface which may facilitate the provision of supplies of goods and services among users (only if number of user accounts on the interface exceeds 200,000). The DST will only apply to corporate groups generating a turnover of more than Euro 750M and with a tax base relating to taxable digital services rendered in the CZ exceeding CZK 100M. Companies whose revenues from digital services do not exceed 10 percent of total revenues in Europe would be excluded from the DST, but subject to notification duties. Depending on the legislative process, the provision is expected to apply as an interim measure from mid-2020 until the end of 2024. However, the coalition parties submitted a proposal in June 2020 to reduce the rate of the draft DST from 7 percent to 5 percent and postpone the effective date to January 2021. The deputies did not have time to discuss a digital tax during the summer because the COVID-19 pandemic resulted in limited operation of the chamber. The related second-reading discussions did not begin until the second half of September 2020 and were soon terminated due to a lack of time.</p> <p>On March 11, 2021, the Minister of Finance announced that the DST bill could be discussed in the Parliament in April. If the proposal gets priority on the parliamentary agenda, the approval process could be quite fast, and the DST could be effective from mid-2021.</p> <p>On May 12, 2021, the DST bill went through the second reading in the Lower House of the Parliament. Several amendments were proposed and include:</p> <ul style="list-style-type: none"> • postponing the effect of the law to January 1, 2022 or January 1, 2023; • reduction of the rate from 7 to 5 percent; • additional reduction of tax rate to 3 percent for all types of DST or only for mediation through digital platforms and sale of data; 	17

✓ *Enacted* ● *Proposed/Announced* ✕ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
			<ul style="list-style-type: none"> excluding from the scope of DST the mediation of the sale of goods through digital platforms. <p>On April 13, 2022, the Ministry of Finance announced that the government approved a draft law amending the Act on International Cooperation in Tax Administration for the implementation of new rules on the exchange of information on income generated by sellers through digital platforms (DAC7).</p>	
Denmark	●	Announced	January 27, 2020	18
			<p>The Finance Ministers of Denmark, Finland, and Sweden released a joint statement on digital tax, indicating that the digital economy, as well as the traditional economy, should be taxed where value is created. The statement continues that, any solution reached should be a consensus-based solution, with a substantial part done by the OECD. However, the Danish Prime Minister announced Denmark's support to an EU-wide agreement on the DST controversy in case a global consensus is not reached.</p> <p>On May 21, 2022, the Danish government reached an agreement with a majority in the Danish parliament on a new media deal, which amongst others will introduce a "cultural contribution" levy of 6 percent (5 percent originally proposed) on the gross receipts of digital streaming services in Denmark effective 2024. The proceeds will go to support both Danish public broadcasters and Danish filmmakers.</p> <p>In August 2022, the Government opened a public consultation (which ran until September 12, 2022) for a draft bill that would implement the levy, after they agreed that the proposed cultural contribution is not contrary to the OECD's Two-Pillar Agreement or the intentions it sets out in relation to the negotiations of the multilateral convention. The bill was expected to be presented in the Parliament in late October 2022, but it was ultimately abandoned.</p>	
	✓	Enacted	December 19, 2023	19
			<p>On December 19, 2023, the Danish parliament approved the cultural contribution levy on on-demand audiovisual media service providers effective from January 1, 2024. The levy, based on the revenues generated in Denmark, is set at a basic rate of 2 percent for all on-demand streaming companies, with an additional 3 percent surcharge for companies that invest less than 5 percent of their Danish revenues in Danish content. The law applies to service providers established in Denmark or another EU member state that targets a Danish audience. However, it excludes service providers with an annual total gross receipt of less than DKK 15 million or with a small Danish audience, and on-demand audiovisual streaming services offered in connection with public service activities.</p>	

✓ *Enacted* ● *Proposed/Announced* ✕ *Proposal rejected/Waiting for Global Solution*

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			<p>15 percent of the taxable profits of multinational enterprises re-allocated to each Member State under Pillar 1.</p> <p>Previously, the EU had suggested the introduction of an EU COVID digital levy as an EU own-resource measure. However, an EU digital levy measure has not been included in the published 2022 budget plan, most likely due to the agreed moratorium on new digital services taxes agreed as part of the October 8, 2021 OECD statement. It therefore appears that the EC has opted to replace the previously suggested EU digital levy measure with the national contribution to the EU budget from Pillar 1 revenues. If the Pillar 1 proposals are not ultimately agreed to internationally, the EC could seek to reintroduce EU digital levy proposals at a later stage, particularly given the need to fund the EUR 750 billion of funding committed as part of the European Union Recovery Instrument (NextGenerationEU) to mitigate the impact of the COVID-19 pandemic.</p> <p>EU Digital Levy – Background</p> <p>Previously, the EC launched two different initiatives to request feedback on a roadmap for the introduction of an EU digital levy:</p> <ol style="list-style-type: none"> 1. The Inception Impact Assessment - A first step would be to collect feedback and relevant information from stakeholders on the intended initiative, and to reflect the EC’s understanding of the issue and the preliminary assessment of the expected economic, social, and environmental impact. Details of the tax policy options have not yet been set out, but the EC has confirmed that the expected legislative proposal would take into consideration any agreement reached by the OECD and would identify additional measures such as: <ul style="list-style-type: none"> - A corporate income tax “top-up” to be applied to all companies conducting certain digital activities in the EU - A tax on revenues realized from certain digital activities conducted in the EU - A tax on digital business-to-business transactions conducted in the EU 2. Detailed public consultation - As a second step, January 18, 2021 the EU launched a more targeted public consultation questionnaire, asking stakeholders to provided their views on, among other items, the current challenges of taxation in the digitalized economy; possible solutions to 	

✓ *Enacted*
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			<p>address these challenges; the appropriate level for solving the issues (e.g., national, EU, beyond the EU or a combination of various levels); the scope of the digital levy; and the most appropriate options to determine where the revenues generated from digital activities are to be taxed.</p> <p>On March 22, 2021, the Council adopted rules under which the exchange of information under DAC is extended to digital platforms (DAC7). The rules impact both EU platform operators, as well as non-EU entities, if the latter facilitate reportable commercial activities of EU sellers/providers or the rental of immovable property located in the EU. Reportable activities include the rental of immovable property, personal services, sale of goods, and rental of any mode of transport. The reporting obligations apply with respect to cross-border and local commercial activities. Operators falling within the scope of DAC7 are required to collect and verify in line with certain due diligence procedures the information from sellers/providers on their online platform. Subsequently, certain information will be reported to the sellers/providers and to the relevant tax authority. Such information includes an overview of amounts paid to sellers from the reportable activities and platform fees and commissions incurred. Member States have until December 31, 2022 to transpose the amendments into national law. The Directive will apply from January 1, 2023 throughout the EU member states and the first reporting of data will be required by January 31, 2024.</p> <p>On March 23, 2021, the EU Parliament's Committee on Economic and Monetary Affairs (ECON) adopted a motion for an EU Parliament resolution on "Digital Taxation: OECD negotiations, tax residency of digital companies and a possible European digital tax. The report sets out the EU Parliament's views ahead of the final negotiations on a global reform within the OECD/G20 Inclusive Framework.</p> <p>On May 18, 2021, the EC unveiled its Communication on "Business Taxation for the 21st Century." With regard to the proposal for an EU digital levy (expected on July 14, 2021), it was noted that the levy would be independent of the global agreement on the international corporate tax reform and will be designed in such a way that it is compatible with WTO and other international obligations. The aim was for the digital levy to generate a new source of revenue that will support the longer-term sustainability of the EU budget and enable investments in the digital transition. The EC also noted that once set-up, the digital levy would co-exist with the Pillar 1 agreement, as implemented in EU law.</p>	

✓ *Enacted* ● *Proposed/Announced* ✗ *Proposal rejected/Waiting for Global Solution*

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			<p>On July 20, 2021, the EC postponed its work on a proposal for a digital levy. The delay was intended to allow countries in the OECD inclusive framework to finalize the details of the multilateral tax deal by October 2021.</p> <p>On September 7, 2021, the EC committed to tabling a proposal for a digital tax in October, whether or not an international agreement surfaces from OECD-led talks on new international tax rules for the world's largest firms.</p>	
	● Announced	February 23, 2023	The EU Commission launched an exploratory consultation on a network fee to ensure that digital players, including content and application providers, help pay for the necessary infrastructure investments. The consultation runs until May 19, 2023.	23
	✗ Waiting for Global Solution	June 1, 2018	The Finance Ministers of Denmark, Finland, and Sweden released a joint statement on digital tax, indicating that the digital economy, as well as the traditional economy, should be taxed where value is created. The statement continues that, any solution reached should be a consensus-based solution, with a substantial part done by the OECD.	24
Finland	✓ Enacted	May 20, 2020	<p>The Finnish tax authority issued a reminder to sharing economy platforms that they must report details of ride sharing and rental activities from 2021. The new rules state that the reporting obligation applies to passenger transport and property rental services when arranged via an intermediary. The annual information return must be sent by 1 February 2021 for the first time. This report must contain all the 2020 payments of rent, taxi fares, and other transportation fees.</p> <p>The tax authority intends to publish more detailed guidance on the requirements in due course.</p>	25
France	✓ Enacted	April 14, 2021	<p>The French DST law was signed and published in the official gazette; it is retroactively applicable as from January 1, 2019. A 3 percent tax applies on gross revenues deriving from i) the provision of a digital interface (i.e., intermediation services); and ii) targeted advertising and transmission of data collected about users for advertising purposes. The tax applies only to companies exceeding in the previous taxable year the following thresholds: i) Euro 750M in worldwide revenue and ii) Euro 25M in taxable services supplied in France; these thresholds must be calculated at the consolidated group level. The French Tax Agency launched a public consultation until May 23, 2020 on updated draft guidance on the scope as well as on the declaration and payment procedures of the DST.</p> <p>The French Finance Minister Bruno Le Maire announced that France has agreed to suspend the collection of the 2020 DST until December 2020 in exchange for the U.S. agreeing to hold off on retaliatory tariffs on French</p>	26

✓ *Enacted* ● *Proposed/Announced* ✗ *Proposal rejected/Waiting for Global Solution*

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			<p>goods. However, the tax authorities published a press release stating that the 2019 DST should not be affected by the suspension, and must be declared and paid in April 2020, after deduction of the single installment paid in November 2019. Mr. Le Maire further confirmed that the French DST will be levied for 2020 regardless of the outcome of the OECD discussions, given that as a result of the COVID-19 pandemic, agreement among the OECD members appears even less likely and a DST has never been more legitimate and more necessary as digital companies are doing better than most.</p> <p>On April 8, 2021, the French Tax Authorities released the final French DST regulations, which clarify certain important topics such as the definition of digital intermediation; the DST liability computation; the independent economic transaction, digital content and intragroup service exceptions.</p>	
	✓ Enacted	December 29, 2023	<p>On December 29, 2023, France published its Finance Law for 2024. This law includes a new "streaming music services tax" effective from January 1, 2024. The tax, set at 1.2 percent, applies to both paid and free services providing access to recorded music and music videos online in France. It is due on amounts exceeding EUR 20 million.</p>	27
	● Proposed		<p>On June 19, 2024, the French tax authority has initiated a public consultation on a draft guidance regarding the tax on the rental of phonograms and videomusic in France for private use. According to the draft guidance, Physical sales and rentals, as well as services rendered between professionals, are not subject to this tax. The tax base for the French digital content tax is the amount, excluding VAT, of revenues from amounts paid by the public for access to taxable content and sums paid by advertisers for their ads on the taxed service. Only the fraction of the subscription or price of the multi-service offer relating to access to taxable content is considered, and the tax base is the fraction of these revenues that exceeds EUR 20 million per calendar year, assessed separately for each service. The tax is due at each collection of the amounts constituting the tax base, provided that these collections have led, since the beginning of the calendar year, to exceed the threshold mentioned. The tax is payable by those who collect the amounts constituting the tax base. The tax is declared and liquidated like VAT, using the annex form to the VAT declaration n° 3310-A.</p>	28
Germany	✗ Proposal rejected	June 17, 2020	<p>The German Federal Ministry of Finance and the Finance Ministries of the German states have decided that withholding tax should not be imposed on payments for digital advertising services. This legal view has been upheld by the German Federal Ministry of Finance in the form of official guidance.</p>	29

✓ *Enacted* ● *Proposed/Announced* ✗ *Proposal rejected/Waiting for Global Solution*

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			The director general of international taxation for the German Federal Ministry of Finance and chair of the OECD's Committee on Fiscal Affairs said that Germany is open to meeting other countries halfway on Pillar 1 of the OECD's work on a global corporate tax overhaul, as long as it includes minimum taxation under Pillar 2.	
Greece	✓ Enacted	July 16, 2019	The Greek Independent Authority for Public Revenue posted online a circular explaining the taxation of short-term rentals in the sharing economy through digital platforms. The circular explains: 1) a property manager's obligation to register the property and file returns; 2) the registration procedure for properties and beneficiaries; 3) filing procedures; 4) penalties for posting a property on digital platforms without a registry number; 5) the requirement to account for commission or bonus revenue as business income.	30
Hong Kong	✓ Enacted	March 27, 2020	On March 20, 2020, the Hong Kong Inland Revenue Department (IRD) published a revised version of Departmental Interpretation and Practice Notes No. 39 ("revised DIPN 39"), which addresses various key issues concerning taxation of e-commerce transactions and digital assets. Among other things, the IRD has: 1) set out what it considers to be the key value creators of an e-commerce business; 2) confirmed that, in the absence of any specific provisions in the Inland Revenue Ordinance (IRO) that deal with the taxation of e-commerce, the tax consequences of e-commerce transactions are to be determined in accordance with section 14 of the IRO; 3) provided some practical guidance on how to determine the locality of profits in the context of e-commerce transactions; 4) took the view that in the context of e-commerce, the decisive criterion to determine the existence of a PE may be whether the activities of a fixed place of business form an essential and significant part of the e-commerce business as a whole or whether those go beyond preparatory or auxiliary activities. To be noted, the statement contained in the previous DIPN that the taxation of e-commerce is to follow a principle of neutrality and that the ordinance is to be applied to e-commerce on a basis consistent with conventional business, has now been removed.	31
Hungary	✓ Enacted	January 1, 2024	Effective from July 1, 2017, Hungary requires businesses to pay tax on advertising revenue. The National Tax and Customs Administration issued an updated guide, explaining which publishers are subject to the rules; the 7.5 percent tax rate on advertising revenues exceeding HUF 100M per year; a tax exemption for advertising revenues under HUF 100M per year; procedures to calculate the tax base; and payment deadlines based on a company's tax year. However, as a temporary measure, the advertisement	32

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Country	Status	Latest development	Brief description	Cite
			tax rate has been reduced to 0 percent, effective from July 1, 2019 through the December 31, 2024.	
India	✓ Enacted	April 1, 2020	<p>The Finance Act, 2018, introduced the concept of ‘Significant Economic Presence’ (SEP) to provide that SEP of a non-resident in India shall constitute business connection in India. Any income attributable to such SEP will be taxed in India. However, considering the restrictive definition of PE in the tax treaties, the insertion of SEP under domestic tax laws does not have any practical impact on taxpayers covered by tax treaties. In the memorandum to the Finance Bill 2018, the Indian Government clarified that unless corresponding modifications are made in the tax treaties, the existing PE concept in such treaties would continue to govern the taxation of cross border profits.</p> <p>The Finance Act 2020 provided for: (i) modification and deferral of the SEP provisions of to April 1, 2021 (i.e., Financial Year 2021-22), with the expectation that the OECD will soon reach a consensus and provide an updated work plan for the digital economy; (ii) the expansion of source rules to include income from advertisements that target customers residing in India or having internet protocol address located in India, income from the sale of data collected from person residing in India or having internet protocol address located in India, and income from sale of goods and services using such data collected from such person, which are effective from April 1, 2020 (i.e., Financial Year 2020-21). However, the deferral of the SEP provision did not pass and accordingly the SEP rules are effective from April 1, 2021. Further, in 2021, the Central Board of Direct Taxes (CBDT) notified the thresholds for constituting SEP in India. Considering aforesaid modification to SEP provisions, SEP is now defined to mean:</p> <ul style="list-style-type: none"> (a) transaction in respect of any goods, services or property carried out by a non-resident with any person in India including provision of download of data or software in India, if the aggregate of payments arising from such transaction or transactions during the year exceeds INR 20 million; or (b) systematic and continuous soliciting of business activities or engaging in interaction with 0.3 million users in India <p>Further the transactions or activities shall constitute SEP in India, whether or not the non-resident has a residence or place of business in India or renders services in India or agreement for such transactions/ activities entered in India.</p>	33

✓ *Enacted* ● *Proposed/Announced* ✕ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
	✓ Enacted	September 29, 2020	<p>Effective October 1, 2020, an e-commerce operator must withhold 1 percent tax on the gross amount of sale of goods/provision of services facilitated by it through its digital or electronic facility or platform. Any payment made by a purchaser of goods/recipient of services directly to an e-commerce participant shall also be considered in such gross amount. E-commerce participant has been defined as a person resident in India selling goods or providing services or both, including digital products, through the digital or electronic facility or platform. E-commerce operator has been defined as a person who owns, operates or manages digital or electronic facility or platform for electronic commerce.</p> <p>Withholding is not required on payments made to individual e-commerce participants if their gross sales of goods or services through the e-commerce platform does not exceed INR 0.5 million.</p> <p>The CBDT has issued few guidelines to provide clarity on the applicability of tax withholding on e-commerce operators.</p>	34
	✓ Enacted	August 1, 2024	<p>State of Play</p> <p>Effective August 1, 2024, India repealed the 2 percent equalization levy based on stakeholder concerns regarding its ambiguity and compliance burden. However, the 6 percent levy on advertising services is unaffected, and remains in effect.</p> <p>After the repeal of the levy was announced, the Indian Finance Minister has indicated in later press comments that this move was intended to reflect a “positive approach to Pillar 1 and Pillar 2” negotiations.</p> <p>Background</p> <p>Effective June 1, 2016, a 6 percent Equalisation Levy applies to specified services (such as online advertising, any provision for digital advertising space or any other facility or service for the purpose of online advertisement and includes any other service) where the gross receipts, from an Indian resident or a non-resident with an Indian PE, are equal to or more than INR 100,000 annually.</p> <p>The Finance Act, 2020 expanded the scope of the Equalization Levy to include consideration received by “e-commerce operators” from “e-commerce supply or services.” Effective April 1, 2020, such consideration is subject to a 2 percent levy. An “e-commerce operator” is defined to mean a non-resident who owns, operates or manages a digital or electronic facility or platform for online sale of goods or online provision of services or both.</p>	35

✓ *Enacted* ● *Proposed/Announced* ✕ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
			<p>The “e-commerce supply or services” on which the levy applies are: a) online sales of goods owned by the e-commerce operator; b) online provision of services provided by the e-commerce operator; c) online sales of goods or provision of services facilitated by the e-commerce operator (i.e., where he provides a platform for others to supply goods or provide services); and d) any combination of the above. The levy is applicable when the goods or services are provided / facilitated by the e-commerce operator to: a) a person resident in India; b) a non-resident for sales of advertisements targeted at, or sales of data collected from persons resident in India or using an IP address in India; and c) a person who buys goods or services or both using an IP address located in India.</p> <p>The following are excluded from the scope of levy: a) non-resident e-commerce operators with a PE in India and the e-commerce sales or services are effectively connected to such PE; b) the services are subject to 6 percent Equalisation Levy; and c) the sales, turnover or gross receipts in respect of transactions subject to the levy are less than INR 20 million in a year. Unlike in the case of the 6 percent Equalisation Levy on specified services where the resident payer was responsible to deduct and pay the levy, the 2 percent Equalisation Levy on e-commerce operators is to be discharged by such non-resident operator itself, on a quarterly basis.</p> <p>The CBDT issued Notification n. 87/2020 on the Equalisation Levy (Amendment) Rules, 2020, which applies effective October 28, 2020. The Notification essentially adopts the existing rules for the 6 percent Levy, so they also apply for the new 2 percent levy on e-commerce. This includes requirements for payers / e-commerce operators to deduct / pay the levy and to electronically file an annual return by 30 June immediately following the financial year.</p> <p>The Finance Act 2021 clarified the application of the 2 percent Equalisation Levy, noting that:</p> <ul style="list-style-type: none"> Income-tax on Royalty/Fee for Technical Services and Equalisation levy are mutually exclusive effective from April 1, 2020. Equalization Levy shall not apply if consideration is taxable as Royalty or Fee for Technical Services. The consideration on which levy is applicable includes the value of the underlying goods or services, irrespective of the ownership of goods or the person providing the services, except where underlying goods or services are owned or provided by an Indian resident or Indian PE of a non-resident. 	

✓ *Enacted* ● *Proposed/Announced* ✗ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
			<ul style="list-style-type: none"> • ‘online sale of goods’ and ‘online provision of services’ shall include one or more of the following online activities (Transactions in scope): <ul style="list-style-type: none"> - The acceptance of offer for sale; - The placing or acceptance of purchase order; - The payment of consideration; and - The sale of goods or services, whether partly or wholly. 	
Indonesia	✗	Waiting for global solution	<p>June 8, 2020</p> <p>The Government issued Regulation No. 1 for 2020 which, among other things, addresses the tax treatment of activities conducted as e-commerce transactions. Overseas sellers and e-commerce platform providers are required to appoint a representative in Indonesia to be responsible for paying and reporting the taxes related to these transactions. In particular, trade activities via e-commerce will be subject to the following taxes:</p> <ul style="list-style-type: none"> • Corporate Income Tax payable by deeming “PE” of overseas e-commerce companies which have a significant economic presence in Indonesia. The significant economic presence will be determined further by the Minister of Finance and would cover consolidated gross revenue; sales amounts in Indonesia; and/or the size of active members in Indonesia; • Electronic Transaction Tax will be imposed on sales to Indonesian buyers/users if the above PE concept cannot be applied based on specific provisions of a Tax Treaty. However, further implementing measures are required for the new tax to go into effect. <p>Note, although the law was enacted, implementing regulations are still pending and accordingly the measures are not fully implemented.</p> <p>On June 8, 2020, the Indonesian Directorate General of Taxation issued FAQs on: i) the expansion of the criteria and significant economic presence (SEP) for PEs for income derived from Indonesia by foreign digital entities that don’t have a physical presence in Indonesia; ii) the application of the SEP principle in Indonesia; and iii) the future plan to impose income taxes on electronic transactions performed by foreign entities.</p> <p>The Finance Ministry said that Indonesia is waiting for a global consensus on digital taxation rather than implementing a digital services tax of its own.</p>	36
Israel	✗	Waiting for Global Solution	<p>June 22, 2022</p> <p>Israel's Ministry of Finance and the Israel Tax Authority have considered the introduction of a 3 percent to 5 percent tax on revenue that would be modelled on the DST implemented in France. However, On June 22, 2021, the Ministry of Finance announced that Israel would adopt the OECD Digital</p>	37

✓ *Enacted*
● *Proposed/Announced*
✗ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
			Economy Taxation Plan, which would provide a framework for Israel to collect taxes from digital gains derived from the Israeli digital activity of global corporations through Pillars One and Two.	
	✓ Enacted	April 12, 2016	Foreign entity deriving income from online transactions with Israeli residents will create a PE, and thus be subject to taxation in Israel, if it has a significant digital presence in Israel. Effective from April 12, 2016.	38
Italy	✓ Enacted	March 20, 2024	<p>Effective January 1, 2020, Italy introduced a 3 percent DST on gross revenue derived from i) advertising on a digital interface, ii) multilateral digital interface that allows users to buy/sell goods and services, iii) the transmission of user data generated from using a digital interface. The DST applies to both resident and non-resident companies with total revenue in the prior year of at least Euro 750M and total revenue from digital services supplied in Italy of at least Euro 5.5M.</p> <p>On December 17, 2020, the Italian tax authorities issued a draft decree providing guidance on the Italian DST, addressing scope and sourcing rules, and providing additional guidance on registration and payment processes. The Italian tax authority has launched a public consultation until December 31, 2020 on the decree.</p> <p>On March 23, 2021 the Italian Tax Authorities published on their website the Circular no. 3/2021 to clarify various aspects of the application and administration of the Italian DST. Key aspects include: i) the nature of the digital services falling within the scope of the DST; ii) services that fall outside the scope of the DST; iii) how to calculate the taxable revenue and the proportion of that revenue deriving from services linked to the Italian territory; and iv) the registration process, the preparation of accounting documentation and the submission of the DST return.</p> <p>Decree Law 41/2021 further extends the deadline for DST payments and return. The payment of the DST has been extended from February 16 to May 16 of the calendar year following the year in which the taxable year is realized, and the submission of the related return from April 30 to June 30 of the calendar year following the year in which the taxable year is realized. The extended deadlines apply to FY2020 as well.</p> <p>On October 21, 2021, Italy signed a joint statement with other countries for a transitional system where (i) Italy is allowed to continue to apply existing unilateral measures until Pillar 1 comes into effect; and (ii) an interim credit will be provided against the tax liability associated with Amount A in cases where the DST that has accrued during the interim period (between January 1, 2022 and the earlier of the date Pillar 1 comes into effect or until</p>	39

✓ *Enacted* ● *Proposed/Announced* ✗ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
			<p>December 31, 2023) exceeds the tax due under Pillar 1 within the first full year of implementation.</p> <p>On March 22, 2022, the Italian Tax Authority published Ruling 149/2022 which addressed two specific issues: 1) whether the placing of targeted advertising where the sale of advertising space takes place through intermediaries and advertising exchanges is within the scope of the DST; and 2) whether advertisements based on a geographical profiling of the user through the data provided by the Internet Service Provider (ISP) would qualify as 'targeted' advertising.</p> <p>In November 2022, a proposal to increase the DST rate from 3 to 6 percent is being considered and may be included in the 2023 Budget Law, which is now being drafted.</p> <p>On March 20, 2024, the Italian Economy Minister announced that Italy might retain and modify its DST if efforts to implement the OECD's Pillar 1 do not pass.</p>	
Japan	● Announced	August 23, 2021	<p>On August 19 the Ministry of Economy, Trade, and Industry published an interim report by a panel of international tax practitioners, industry representatives, and academics that first met in March to evaluate a range of possible tax reforms, including the imposition of a digital services tax.</p> <p>The panel said that while it expects early implementation of Pillar 1 of the OECD's global tax reform plan, which would revise profit allocation and nexus rules to allow market jurisdictions more taxation rights over the residual profits of multinational enterprises, "it is necessary to consider preparations in the unlikely event that . . . Pillar 1 is delayed."</p> <p>Any unilateral DSTs imposed by other countries should be promptly abolished when Pillar 1 comes into effect, the panel said. It made no recommendation as to whether Japan should consider implementing a DST.</p>	40
Kenya	✓ Enacted	May 9, 2024	<p>The Finance Act 2019 was published in the Official Gazette. It amends the Income Tax Act by listing "income accruing through a digital marketplace" as income chargeable to tax. It also defines a digital marketplace as "a platform that enables the direct interaction between buyers and sellers of goods and services through electronic means". The provision is effective as of November 7, 2019.</p> <p>In December 2020, the Cabinet Secretary, National Treasury issued final DST Regulations, 2020 as a guide for the DST implementation. The DST entered into effect on January 2, 2021 with the first return and payment covering January 2021 due for submission to the Kenya Revenue Authority</p>	41

✓ *Enacted* ● *Proposed/Announced* ✕ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
			<p>by February 20, 2021. The DST rate is 1.5 percent of the gross transaction value. The gross transaction value is the payment received as consideration for the digital service. In the context of a digital marketplace provider, it is the commission or fee paid for the use of the platform. DST is payable on the following services:</p> <ol style="list-style-type: none"> 1. Downloadable digital content including downloadable mobile applications, e-books and films; 2. Over-the-top services including streaming television shows, films, music, podcasts and any form of digital content; 3. Sale of, licensing of, or any other form of monetising data collected about Kenyan users which has been generated from the users' activities on a digital marketplace; 4. Provision of a digital marketplace; 5. Subscription-based media including news, magazines and journals; 6. Electronic data management including website hosting, online data warehousing, file-sharing and cloud storage services; 7. Electronic booking or electronic ticketing services including the online sale of tickets; 8. Provision of search engine and automated held desk services including supply of customised search engine services; 9. Online distance training through pre-recorded media or e-learning including online courses and training; and 10. Any other service provided through a digital marketplace <p>According to the Regulations, DST is payable by the digital service provider. Further, online services provided by Government institutions are not subject to DST. It also important to note that DST shall not apply to income derived from Kenya by non-resident persons from the business of transmitting messages by cable, radio, optical fibre, television broadcasting, Very Small Aperture Terminal (VSAT), internet, satellite or by any other similar method of communication. Similarly, DST shall not apply to income which are subject to withholding tax in Kenya. Some of these incomes include management and professional fees earned through a digital marketplace. Foreign companies which provide digital marketplace services to consumers in Kenya will be subject to the DST.</p> <p>Effective July 1, 2021, Kenya published Finance Act, 2021 which introduces the following changes:</p>	

✓ *Enacted* ● *Proposed/Announced* ✕ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
			<ul style="list-style-type: none"> To impose income tax on income accruing from businesses carried out over the internet or an electronic network, including through a digital marketplace. A new definition for a digital marketplace. A “digital marketplace” will mean an online platform which enables users to sell or provide services, goods or other property to other users. expand the definition of digital services to include supplies made over the internet or an electronic network in addition to those made through a digital marketplace. To limit the imposition of the DST to non-resident persons only. To exempt non-resident businesses that transmit messages via cable, radio, fiber, TV broadcasting, VSAT, internet, satellite or other such methods of communication from DST. To exempt income subject to withholding tax from DST. <p>On April 12, 2022, the lower House of the Parliament received Finance Bill 2022 which includes the proposal to increase the DST rate from 1.5 to 3 percent.</p> <p>On May 4, 2023, Finance Bill 2023 was presented to the Parliament. The draft legislation proposes to clarify that the 1.5 percent DST shall not apply to non-resident person with a permanent establishment in Kenya.</p> <p>On May 9, 2024, Kenya introduced the Finance Bill 2024 to parliament. Among other things, the bill proposes to repeal the DST and replace it with a "Significant Economic Presence Tax" (SEP Tax). This tax would be imposed on non-residents whose income from the provision of services is derived from or accrues in Kenya through a business conducted over a digital marketplace. The SEP Tax would be levied at a rate of 30 percent of the "deemed taxable profit". The taxable profit is deemed to be 20 percent of the gross turnover. If enacted, the tax will take effect from January 1, 2025.</p>	
	✓	Enacted	June 26, 2024	<p>On May 4, 2023, Finance Bill 2023 was presented to the Parliament. The draft legislation proposes a 15 percent WHT on digital content creators that offer website and social media advertising, paid sponsorships, affiliate marketing, and subscriptions. The tax would also apply to licensing fees that creators pay for music or photographs they use in their projects, according to the bill. Crowdfunding for content creators or other individuals would be in scope of the new tax.</p>

✓ *Enacted* ● *Proposed/Announced* ✗ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite	
			<p>On June 26, 2023, the Kenyan president signed the Finance Act 2023 into law.</p> <p>On July 28, 2023, the Kenyan Court of Appeal lifted a previous suspension of the implementation of the Finance Act 2023. As such, the Act is now effective pending the hearing and determination of the appeal.</p> <p>On June 26, 2024, Kenyan President announced the withdrawal of the Finance Bill 2024, in its entirety, due to sustained public pressure. The bill included measures that would have replaced the digital services tax with a significant economic presence standard and introduced a withholding tax on income deemed to have accrued in or derived from a digital marketplace from the making or facilitation of payments by the digital marketplace.</p>		
	✓	Enacted	September 26, 2023	<p>On September 22, 2023, the Kenyan government issued a notice to remind all non-resident providers of digital services to comply with their registration obligations in the country, and to do so within 30 days from the issuance of the notice. The notice also provides that if covered taxpayers fail to comply as directed, the tax authority will commence enforcement measures against them as provided in the law, including seeking the intervention of other relevant government authorities and appointing tax agents for purposes of collection and remittance of the VAT.</p>	43
Laos	✗	Rejected	February 8, 2023	<p>On February 24, 2022, the Ministry of Finance issued Notification No. 0541/MOF according to which non-resident companies that provide e-commerce and digital platform services (such as online music and films, streaming services, online advertisement, and online travel and accommodation booking services) to users in Laos should register and obtain a tax identification number (TIN) on the Tax Department's TaxRIS webpage and calculate and pay profit tax on income derived from Laos consumers based from such services (DPT).</p> <p>Following November's 2022 consultation and updated guidelines, the Laotian Government is redrafting local regulations to focus on VAT regime only and drop the DPT requirement. Thus, nonresident digital services providers, without a physical presence in Laos, will not be required to pay tax on income sourced to Laos.</p>	44
Latvia	✗	Rejected	December 18, 2019	<p>The Latvian government commissioned law firm Primus Derling to conduct a study to determine the increase of tax revenue based on the assumption that the country levies a 3 percent DST. However, no further action has been taken so far.</p>	45

✓ *Enacted* ● *Proposed/Announced* ✗ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
Malaysia	✓ Enacted	April 7, 2021	<p>The Director General of Inland Revenue issued a practice note on the tax treatment of digital advertising provided by non-residents. Payments made to a non-resident digital advertiser will be subject to withholding tax if the non-resident does not have a PE or a business presence in Malaysia. Domestic withholding tax rules vary depending on whether the payment is deemed to be a royalty or for non-resident services. The Inland Revenue further updated Guidelines on e-commerce transactions to include: 1) definitions and the scope of e-commerce transactions, digital currency, tokens, and royalties; 2) an expanded set of examples relating to e-commerce business models; 3) the taxation of income derived from e-commerce transactions; and 4) the scope and liability of special classes of income received by non-residents.</p>	46
Mexico	✓ Enacted	January 18, 2024	<p>Intermediaries of digital services that process payments, should withhold tax to Mexican individuals from the income they obtained through the platform. The rate will depend on the activity performed:</p> <ul style="list-style-type: none"> • Ground transportation services of passengers and delivery of goods: 2.1 percent. • Accommodation services: 4 percent. • Sales of goods and services: 1 percent. <p>Service providers are required to be registered in Mexico as WHT agents. The digital platforms will be responsible for the withholding tax and will be required to file a declaration no later than the 17th of the month immediately following the month for which the tax was withheld with respect to goods or services digital transactions. Moreover, whenever intermediaries collect the consideration of the service, they must issue to each Mexican individual to whom the withholding was made a digital tax receipt of withholdings and payment information at the latest within five days following the month in which the withholding was made.</p> <p>On July 14, 2020, the tax administration published guidance, including rules for remitting withholding tax by foreign providers of digital services in Mexico:</p> <ul style="list-style-type: none"> • The digital services providers may remit the amounts of withholding tax in Mexican pesos, routed through financial institutions that have been authorized by Mexico’s Treasury. • Alternatively, the digital services providers can elect to remit the tax payments from abroad, if they follow the requirements for a single 	47

✓ *Enacted* ● *Proposed/Announced* ✕ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
			<p>occasion remittance in accordance with the procedure established on tax form 13 / PLT (known in English as the "Notice of option for the payment of contributions from abroad, for the provision of digital services in Mexico") as contained in Annex 1-A. They may make the related tax payment using either Mexican pesos or U.S. dollars. In both cases, the digital services providers must activate the appropriate field on the SAT website and make the payment.</p> <p>Mexico has published in the Official Gazette the Decree on amendments to the Income Tax Law, the Value Added Tax Law, and the Federal Tax Code, which provides for the implementation of the tax measures of the Economic Package for 2021. Among other measures, new withholding tax rates have been introduced on the total income of individuals actually received from selling goods or providing services via the internet, technological platforms, computer applications, and the like, which is considering a provisional payment. The Miscellaneous Tax Resolution for 2021, as published in the Official Gazette on December 29, 2020 and effective January 1, 2021, includes new rules for individuals with business activities of selling goods or providing services through the internet via technological platforms. Regarding income received directly from purchasers of the goods or services, these individuals (if considering the tax paid as a "definitive" payment) must determine their taxable profit, calculate their income tax, and credit the tax withheld by the technological platforms and make the advanced income tax payment by submitting a return (known in English as the "Income tax payment of individuals in technological platforms return").</p> <p>On January 18, 2024, the tax administration published a list of the 201 foreign providers of digital services that are registered for tax purposes in Mexico as of December 31, 2023.</p>	
Nepal	✓ Enacted	July 12, 2024	<p>Effective July 17, 2022, Nepal imposes a 2 percent DST digital services provided to consumers (B2C) in Nepal if the related revenue exceeds NPR 2 million. The definition of digital services in scope of the DST is aligned with the new VAT rules on non-resident digital services providers.</p> <p>Effective July 16, 2024, Nepal increased the DST registration threshold from NPR 2 million to NPR 3 million.</p>	48
	✓ Enacted	July 12, 2024	<p>Effective July 16, 2024, Nepal expanded the definition of permanent establishment to include nonresidents that have a significant digital presence in Nepal, which has yet to be further defined.</p>	49
Netherlands	● Proposed	March 25, 2022	<p>In March 2022, a bill was presented to the Lower House of the Parliament introducing a reporting obligation for digital platform operators to provide the</p>	50

✓ *Enacted* ● *Proposed/Announced* ✗ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite	
			<p>Dutch tax authorities with information about certain users (“sellers”) on their platform in accordance with EU Directive 2021/514 “DAC7”.</p> <p>The obligation to collect, verify and report information applies to both EU and non-EU platform operators. The reporting obligation applies to both cross-border relevant activities and domestic activities. Non-EU platform operators are digital platforms that are not residents of an EU Member State, but the sellers using the platform do, however, have an EU nexus (i.e., the sellers are residents of an EU Member State or rent immovable property that is located in an EU Member State).</p> <p>The reporting platform operators falling under the reporting obligation must provide the information to the tax authorities no later than January 31 of the year following the reporting period (i.e., the calendar year covered by the report). The reporting obligation applies for the first time as of January 1, 2023, with a first reporting deadline of January 31, 2024. However, sellers that were already registered on January 1, 2023, the deadline for complying with the collection and verification requirements has been extended until December 31, 2024.</p>		
	✗	Waiting for Global Solution	October 24, 2023	<p>On October 24, 2023, the Dutch State Secretary wrote to the Dutch Parliament saying that a EU DST should be considered as an alternative to the OECD’s Pillar one Amount A, if a global agreement is unlikely to be signed by the end of 2023.</p>	51
New Zealand	●	Proposed	March 22, 2024	<p>State of Play</p> <p>On August 31, 2023, the New Zealand government introduced a Digital Services Tax Bill into the parliament. If enacted, the bill would introduce a 3% DST on specified digital services and would be effective from January 1, 2025. The DST would apply to multinational digital services groups that earn at least EUR 750 million per year from global digital services and at least NZD 3.5 million per year from digital services provided to New Zealand users or connected to New Zealand. Covered digital services include intermediation platforms, social media and content sharing platforms, internet search engines, digital advertising, and activities related to user-generated data. The bill also provides that the implementation date may be extended for up to 5 years if the New Zealand government is satisfied with the progress of OECD’s Pillar One multilateral solution.</p> <p>While the Bill was introduced, it seems to be stalled and as of March 2024 it still hasn’t had its first reading.</p> <p>Background</p>	52

✓ *Enacted* ● *Proposed/Announced* ✕ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
			<p>On September 9, 2020, New Zealand’s Labour Party published a document which includes a statement that New Zealand could follow other countries that have already announced that they will introduce digital services taxes, if negotiations at the OECD level don’t reach an agreement.</p> <p>However, on November 19, 2021, New Zealand Inland Revenue indicated that the government’s preference continues to be an OECD-led multilateral solution rather than a proliferation of DSTs, although the government is seriously considering implementing a DST in the event the OECD project fails to reach agreement within a reasonable timeframe.</p> <p>On May 18, 2023, New Zealand released a report detailing the country’s 2023 budget. In the report, it was indicated that New Zealand is prepared to apply its own unilateral DST if Pillar One fails to go into effect globally by 2024.</p>	
	●	Proposed	August 30, 2022	<p>On August 30, 2022, the “August Tax Bill” was introduced. The bill contains a range of policy and remedial provisions, including new information reporting requirements for New Zealand digital platform operators in the gig and sharing economy.</p>
Nigeria	✓	Enacted	<p>July 25, 2022</p> <p>The Finance Bill for 2020, which introduced the principle of significant economic presence (SEP) to the basis of taxation of non-resident companies operating in the digital services and e-commerce sectors, was signed into law. On May 29, 2020, the Nigerian Finance Ministry published a legislative order, retroactively applicable from February 3, 2020, defining and implementing the SEP concept. According to the order, a non-resident company will have an SEP in Nigeria in any accounting year if it has gross turnover or income of more than NGN 25 million (\$64,601) from four types of digital activities:</p> <ol style="list-style-type: none"> 1. providing streaming or downloading services of digital content, such as movies, music, games, and e-books to persons in Nigeria; 2. transmitting data collected on Nigerian user activities on a digital interface, such as websites or apps; 3. providing goods and services directly or indirectly through a digital platform; or 4. providing intermediary services via a digital platform, website, or app linking suppliers to customers in the Nigerian market. <p>A foreign company will also have an SEP if it uses a Nigerian domain name or has a URL registered in Nigeria, or if it has a “purposeful and sustained interaction with persons in Nigeria by customizing its digital page or</p>	54

✓ *Enacted* ● *Proposed/Announced* ✕ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
			<p>platform” for the Nigerian market. Customization includes providing prices for products or services in Nigerian currency or offering payment or billing options in Nigerian currency.</p> <p>Based on international norms, the provisions of a Tax Treaty supersede local tax laws. Hence the Order, being an extension of Companies Income Tax Act, should not apply to companies based in countries with which Nigeria has a Tax Treaty.</p> <p>The FIRS released Circular n. 2022/12 to provide guidance on the taxation of non-resident individuals and companies. Specifically, among other things, it clarifies that the FIRS is empowered to assess the income derived from Nigeria by digital service companies at a “fair and reasonable percentage,” where the income is below the expectation of the FIRS. The Circular further outlines the methods through which the FIRS may arrive at a fair and reasonable percentage for its tax assessment, including profit margins determined by information in the non-resident companies’ individual and group financial statements, a percentage adopted in line with Government policy, and any other basis that the FIRS may consider fair and reasonable.</p>	
Norway	● Announced	January 13, 2020	The Norwegian Finance Ministry announced that Norway will introduce a unilateral measure if the OECD does not reach a consensus solution in 2020.	55
OECD	● Announced	April 1, 2024	<p>On October 12, 2020, the OECD released the Blueprints on Pillar 1 and Pillar 2, which reflect efforts for reaching a multilateral, consensus-based solution to the tax challenges arising from the digitalization of the economy, and other tax deliverables.</p> <ul style="list-style-type: none"> • The OECD report of the Pillar 1 Blueprint reflects a focus on new nexus and profit allocation rules so that, in an increasingly digital age, the allocation of taxing rights with respect to business profits is no longer exclusively circumscribed by reference to physical presence. • The OECD report of the Pillar 2 Blueprint reflects an approach that is focused on the remaining BEPS challenges and proposes a systematic solution designed so that all internationally operating businesses pay a minimum level of tax. Pillar 2 leaves jurisdictions free to determine their own tax system, including whether they have a corporate income tax and where they set their tax rates, but also considers the right of other jurisdictions to apply the rules contained in this report where income is taxed at an effective rate below a minimum rate. 	56

✓ *Enacted*
● *Proposed/Announced*
✗ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
			<p>A new economic impact analysis was also released, which shows the combined effect of the two-pillar solution under discussion.</p> <p>The ongoing work was presented in a new OECD Secretary-General Tax Report and discussed during the next meeting of G20 Finance Ministers and Central Bank Governors, under the Saudi Arabian Presidency, on October 14, 2020.</p> <p>On January 14 and 15, 2021 the OECD held the virtual public consultation on the comments received on the Reports on the Pillar 1 and Pillar 2 Blueprints.</p> <p>On March 4, 2021, during the Tax Talk webcast, members of the OECD Secretariat provided updates on the OECD's international tax work. On BEPS 2.0, the speakers summarized the state of play on the two-pillar approach. The speakers referred to the OECD Secretary-General Report to G20 Finance Ministers and Central Bank Governors and noted the letter sent by US Treasury Secretary Yellen. They also described the aim of reaching agreement during an Inclusive Framework meeting that will take place shortly before the G20 meeting to be held on July 9, 2021. In addition, they noted that the BEPS 2.0 project will be discussed during the G20 Finance Ministers meeting, held on April 7, 2021.</p> <p>On June 22, 2021, the OECD released the “Model Reporting rules for digital platforms - International Exchange Framework and Optional Module for Sale of Goods”, which expands the model rules released in July 2020 to include digital platforms that sell goods online and rent transportation and allows tax authorities to automatically exchange information on goods sold and car rented.</p> <p>On October 8, 2021, the OECD announced that 136 jurisdiction joined the “Statement on the Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy”, which updates and finalizes a July political agreement by members of the Inclusive Framework to fundamentally reform international tax rules.</p> <p>On December 20, 2021, the OECD published detailed Pillar 2 model rules. The rules define the scope and set out the mechanism for the so-called Global Anti-Base Erosion (GloBE) rules under Pillar 2, which will introduce a global minimum corporate tax rate set at 15 percent. The minimum tax will apply to MNEs with revenue above EUR 750 million.</p>	

✓ *Enacted* ● *Proposed/Announced* ✕ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
			<p>In February and April 2022, the OECD invited public input on draft model rules for nexus and revenue sourcing and tax base determination under Amount A of Pillar 1, as well as on an exclusion for the extractives industry.</p> <p>In a July 10-12, 2023 meeting, 138 members of the OECD's Inclusive Framework agreed to extend the moratorium on imposing new DSTs or other similar, unilateral measures either until December 31, 2024, or until entry into force of the Multilateral Convention for Pillar 1, Amount A. The moratorium's extension requires that a minimum of 30 jurisdictions representing at least 60 percent of ultimate parent entities of MNEs in scope of Pillar One Amount A sign the agreed rules before the end of 2023.</p> <p>On October 11, 2023, the OECD published the text of the Multilateral Convention for Pillar 1, Amount A, along with supplementary documents. It also released Working Paper No. 66, which describes the changes that Amount A has undergone, updates the data and methodology of the impact assessment, and illustrates the impact Amount A will have on the allocation of taxing rights.</p> <p>On December 18, 2023, the OECD released a statement regarding the timeline for the Multilateral Convention for Pillar 1. The statement recognizes ongoing efforts to resolve differences, especially concerning the standstill on new Digital Service Taxes, and expresses commitment to a consensus-based solution. The Inclusive Framework plans to finalize the Multilateral Convention text by March 2024, with a signing ceremony scheduled for June 2024. However, in April 2024, the OECD announced that the finalization of the Multilateral Convention for Pillar 1 text has been delayed.</p>	
Pakistan	✓ Enacted	May 24, 2018	Effective July 1, 2018, Pakistan introduced a 5 percent withholding tax on certain payments for offshore digital services like online advertising, designing, creating, hosting or maintenance of websites, providing any facility or service for uploading, storing or distribution of digital content, online collection or processing of data related to users in Pakistan, any facility for online sale of goods or services, or any other online facility.	57
	✓ Enacted	June 26, 2023	On June 26, 2023, Pakistan enacted its Finance Act 2023. The Act includes measures to remove the word 'fixed' from the definition of 'Permanent Establishment' (PE) in its income tax law. For this purpose, the Act introduces a new clause for 'virtual business presence' in Pakistan. This is defined to include any business where transactions are conducted through	58

✓ *Enacted*
● *Proposed/Announced*
✗ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite	
	✓	Enacted	July 3, 2024	<p>the internet or any other electronic medium, with or without having a physician presence.</p> <p>On June 29, 2024, Pakistan published the Finance Act 2024, clarifying, among other things, that the business income of a non-resident is considered as income sourced from Pakistan if it is directly or indirectly linked to "any business connection" within the country. The term "any business connection" now encompasses the "significant economic presence in Pakistan" of a non-resident. This includes transactions involving any goods, services, or property conducted by a non-resident with any person in Pakistan if the gross receipts from such transactions exceeds an amount that has yet to be prescribed. It also covers the downloading of data or software in Pakistan, as well as the systematic and continuous solicitation of business activities or digital interactions with users in Pakistan.</p>	59
Paraguay	✓	Enacted	April 6, 2022	<p>The Law 6380/2019, which reformed the Paraguayan tax system as of January 1, 2020, includes provisions on the taxation of digital services, defined as services available to users through the internet or any adaptation or application of the protocols, platforms or technology used by the internet or any other network through which services are provided online access and are characterized by being essentially automatic and not viable in the absence of information technology, including call / contact center, BPO process and similar. A 15 percent Non-Resident Tax (INR) shall be applied to taxable income (net of VAT) derived from the provision of digital services by a foreign supplier. Banks and financial entities, cooperatives, payment processing entities and telephone companies must act as withholding agents, when the service user pays for it with credit or debit card, or by transfers. The obligation to withhold taxes will be in force starting on July 1, 2020.</p> <p>However, on June 5, 2020, due to the current COVID-19 situation, the government has postponed until January 1, 2021 the entry into force of the withholding mechanism.</p> <p>Paraguay published General Resolution No. 76-20, which provides for the implementation of the INR withholding on digital services with effect from January 1, 2021. The General Resolution also specifies the types of digital services affected as follows:</p> <ul style="list-style-type: none"> • Digital distribution of multimedia content (games, movies, music, videos, among others); 	60

✓ *Enacted*
● *Proposed/Announced*
✗ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
			<ul style="list-style-type: none"> Data processing and storage in general, and the provision, development, or updating of software or applications in general; Cable and satellite television; Marketing and advertising; Games of luck, chance, bets and the like; and Educational services provided through technological platforms. <p>The list may be updated, in which case it will be published on the website www.set.gov.py.</p> <p>Lastly, special rules are provided with respect to digital intermediation services for land transport. This includes that instead of withholding on related payments, a non-resident provider of the intermediation services must register with the tax administration within 10 business days of beginning activities in Paraguay, with monthly declaration and payment requirements.</p> <p>On May 31, 2021, Decree n. 5373 further deferred to January 1, 2022 the implementation of the INR withholding by intermediaries including banks, financial entities, exchange houses, payment processors, and similar entities, and other entities that mediate in payments for digital services from foreign suppliers. This deferral applies where the user of the services uses a credit or debit card as a means of payment.</p> <p>The decree also provides that certain taxpayers (generally legal persons, such as companies, partnerships, associations, etc.) are required to withhold INR when acquiring digital services from foreign suppliers, regardless of the payment method.</p> <p>General Resolution n.109/2021 established a simplified mechanism for the registration for INR purposes of non-residents providing digital service supplies to final consumers in Paraguay. Non-resident digital service providers are required to register through a non-resident registration form to be submitted within 10 business days after the start of the provision of services. The Resolution also prescribes the INR withholding and payment requirements for digital services and clarifies that the simplified mechanism is only available where digital services are provided to consumers in Paraguay.</p> <p>On March 24, 2022, General Resolution n. 114/2022 was released, repealing General Resolution n.109/2021. Although the general</p>	

✓ *Enacted* ● *Proposed/Announced* ✗ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
			requirements did not change, the new resolution introduced several changes to the operating provisions. Specifically, new provisions provide that non-resident providers without local representation must register directly with some adjustments in the required documentation that must be submitted. The payment provisions are also adjusted to provide that a non-resident provider or, their agent or legal representative, is required to pay the corresponding tax due. It is also clarified that declarations (returns) and payments are due by the 15th of the month following the reporting month, with penalties imposed for late returns/payments.	
Philippines	● Proposed	April 20, 2023	<p>The Philippine Bureau of Internal Revenue (BIR) announced that it will propose new Regulation n. 2-98 to impose a creditable 1% WHT on one-half of the gross income payments (remittances) made by online platform providers to suppliers of goods and services selling through a platform. Comments on the draft were due May 2, 2023.</p> <p>With the significant increase of online sales transactions, the BIR has recognized the difficulty in monitoring the income generated by online sellers (especially individuals) which use online platforms. Thus, the proposed amendment of RR No. 2-98 aims to make online platform providers act as withholding agents on the income earned by their partner online sellers/merchants and encourage tax compliance so that the tax withheld by the online platform providers may then be credited against the income tax due of their partner online sellers/merchants. Currently there is no mention as to whether non-resident online platform providers are covered by the proposal. However, this may be unlikely because under Philippine tax rules, non-residents are not authorized to act as withholding agents for income payments made to local suppliers.</p>	
Poland	✓ Enacted	June 25, 2020	<p>Effective July 1, 2020, a new tax/fee on video on demand providers (VOD) is imposed. A 1.5 percent tax is calculated on gross revenue of the VOD provider resulting from access to audio-visual media service and audio-visual commercial communication.</p> <p>The tax shall be paid on a quarterly basis to the Polish Film Institute within 30 days following the end of each quarter, as a compensation for the reduction of revenues caused by COVID crisis. The payments are considered tax deductible.</p>	61
	● Proposed	February 16, 2021	<p>The Polish Ministry of Finance launched a consultation on a proposal to introduce a tax on advertising revenue called “advertising contribution”. The new tax will be due from traditional and online advertisers and is aimed at raising funds to mitigate the consequences of the COVID-19 pandemic.</p>	62

✓ *Enacted* ● *Proposed/Announced* ✕ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
			<p>The draft law includes in scope companies that generate digital advertising revenue, including digital and conventional media companies that rely on advertising revenue. The bill provides for different taxing rules depending on whether the income derives from traditional or digital advertising. Based on the proposal, digital companies with global annual revenue of EUR 750 million or more that generate over EUR 5 million in online advertising revenue within Poland would pay a 5 percent annual tax based on the number of in-country users.</p> <p>Following extensive criticism from the opposition party, a coalition partner, and media companies, during a February 16 news conference, government spokesperson Piotr Muller said that a new bill will be drafted that considers comments received from stakeholders.</p>	
	● Proposed	July 7, 2021	<p>A draft bill was sent for a first reading in Poland's lower chamber of parliament (the Sejm) on 7 July 2021 that would provide for the introduction of a DST. The proposed DST would be imposed at a rate of 7 percent on digital sector enterprises, regardless of their place of establishment, with a significant digital presence in the territory of Poland. For this purpose, a digital sector enterprise would have a significant digital presence in the territory of Poland if, at the same time, the enterprise:</p> <ul style="list-style-type: none"> • Makes transactions with users located in Poland and its annual revenue from this account exceeds EUR 4 million; and • Its annual global revenue exceeds EUR 750 million. 	63
Portugal	✓ Enacted	February 2, 2020	<p>On November 19, 2020, the Portuguese government published Law n. 74/2020 which introduces changes to the levies on cinematographic and audiovisual activities as follows:</p> <ol style="list-style-type: none"> 1. Exhibition levy of 4 percent on the price paid for audio-visual commercial communication included in video-sharing platforms – the law extends the application of the exhibition levy to audio-visual commercial communication, included in video-sharing platforms. The 4 percent exhibition levy is due by advertisers on income realized in Portugal and shall be included in the invoice issued by the video-sharing platform, who has the responsibility to make its payment. The exhibition levy must also be included in the taxable amount for VAT purposes. 2. Annual levy of 1 percent on income of providers of subscription video-on-demand services - the law introduces a 1 percent levy that will be 	64

✓ *Enacted* ● *Proposed/Announced* ✗ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
			<p>due by service providers on relevant income realized in Portugal associated with subscriptions or occasional transactions for video-on-demand services. Certain applicability thresholds are provided for service providers with low turnover (less than EUR 200,000 of annual relevant income) or with low audience (less than 0.5 percent of active subscribers).</p> <p>The Law entered into force 90 days after the date it was published, i.e., on February 17, 2021. However, it is not yet applicable pending regulations which shall address assessment, collection and payment rules on the audiovisual industry levies.</p>	
Romania	● Announced	May 23, 2018	The Official Gazette published a decision approving the EU Commission proposals on the corporate taxation of a significant digital presence (corporate taxation of a significant digital presence and digital services tax on revenues resulting from provision of certain digital services) and stating that both proposals comply with the principles of subsidiarity and proportionality. However, no further steps have been taken to implement the proposals.	65
Russia	✗ Proposal rejected	October 10, 2022	The Russian government has announced the approval of a plan (roadmap) for a second package of measures to support the IT industry. One of the key items in the plan is the development of a proposal for amendments to the Tax Code that would provide for the taxation of incomes received by foreign companies from providing digital services to Russian citizens or using data from Russian citizens, which is to take into account approaches discussed at the OECD. The plan also includes amendments to create a "digital residence" system for foreign companies and individuals operating in the IT field, without the need for a physical presence in Russia. Proposals for both measures are to be completed by November 2021.	66
Sierra Leone	✓ Enacted	January 1, 2024	<p>Sierra Leone has introduced a new 1.5 percent DST on the turnover of all digital and electronic transactions. The government also intends to tax digital services further by introducing a withholding tax on fees paid to contractors providing these services.</p> <p>Effective January 1, 2024, Sierra Leone expanded the scope of the DST to also apply to non-residents. The regime applies to income derived from the following digital services:</p>	67

✓ *Enacted* ● *Proposed/Announced* ✗ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
			<ul style="list-style-type: none"> digital products, including subscription- based, downloadable and stream-able digital contents- satellite TVs, movies, music, apps, games, and e-books; software programs. services such as management and technical advisory, architectural or legal services. electronic data management, including transmission or collection of data about users in Sierra Leone. sale of goods or services directly, including online tickets and other services intermediating suppliers and customers through a digital platform. purchases via non-resident marketplaces or payment aggregators. digital gambling and betting activities. search engines and automated help desk services, e-learning platforms, audio, vision or digital media, transport hailing platforms, among others. 	
Singapore	✗	Waiting for Global Solution	<p>December 7, 2020</p> <p>According to a speech on the taxation of the digital economy by the Senior Minister of State for Law and Finance, Singapore advocates three high-level principles: i) tax certainty for businesses; ii) tax neutrality between traditional and digital business models; and iii) international consensus on issues relating to the taxation of the digital economy.</p> <p>The Inland Revenue Authority has clarified the tax treatment based on existing provisions of the Income Tax Act (ITA) of the following taxes imposed by foreign jurisdictions on digital transactions for persons subject to tax in Singapore:</p> <ul style="list-style-type: none"> taxes imposed as income tax are not deductible under section 15(1)(g) of the ITA; and taxes imposed as turnover tax, such as India's equalization levy and the UK's DST, are generally deductible under section 14(1) of the ITA. 	68
Slovakia	✓	Enacted	<p>March 16, 2018</p> <p>As of January 1, 2018, digital platforms facilitating transport and lodging services in Slovakia, acting as a marketplace for such services in Slovakia, must register a PE. In certain cases, when a non-resident taxpayer does not register for income tax in the Slovak Republic, Slovak sourced income of such non-resident is subject to a withholding tax at the rate of 19 percent (or</p>	69

✓ *Enacted* ● *Proposed/Announced* ✗ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
			35 percent for non-residents in a non-contracting state, i.e., a state which is not included in the “white list” published by the Ministry of Finance).	
	✗	Proposal rejected	January 8, 2019	70
			The Ministry of Finance opened a consultation on a proposal to introduce a digital services tax on revenue of non-residents from provision of services such as advertising, online platforms, and sale of user data. However, there were no further steps. The introduction of tax changes is not expected as the general elections will take place on February 29, 2020. Thereafter a new government will be formed. None of the political parties have put forward digital tax as their priority agenda.	
Slovenia	●	Announced	February 24, 2020	71
			The Slovenian Ministry of Finance announced in June 2019 a government proposal to submit a draft bill to the National Assembly introducing a DST by April 1, 2020. The DST would comply with the EU directives and apply from September 1, 2020. However, since 2019 there has been no development in this respect and since the Prime Minister resigned in January 2020 it is rather unclear how this topic will develop in the future.	
South Africa	✗	Waiting for Global Solution	August 26, 2020	72
			National Treasury and the South African Revenue Service (SARS) appeared in Parliament in June 2020 to discuss the issues within the digital economy and the implications for tax policy affecting the generation of new income tax revenue. During these discussions, National Treasury advised Parliament that South Africa has opted not to introduce any unilateral measures to deal with direct tax treatment of the challenges of the digital economy for now. South Africa has opted to wait for multilateral consensus or solutions to be published in the final report on tax challenges arising from digitalization which is due in 2020.	
Spain	✓	Enacted	March 28, 2023	73
			Effective January 16, 2021, Spain introduced a 3 percent on digital services including online advertising, online intermediation services, and the sale of user data generated through a digital interface. The DST will be limited to companies with annual worldwide revenue exceeding EUR 750M and revenue from digital service activities in Spain exceeding EUR 3M. For companies that are part of a group, the thresholds will apply at the group level. The DST will be settled on a quarterly basis.	
			Regulations providing for compliance requirements are expected to be released prior the effective date of the law.	
			On December 3, 2020, a consultation was opened on a draft decree that would establish rules and methods to determine the place of digital service for tax purposes and the obligations for taxpayers to file and maintain tax	

✓ *Enacted*
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Country	Status	Latest development	Brief description	Cite
			<p>records of specified digital services. Comments were due on December 16, 2020.</p> <p>On January 14, 2021, an article quoting sources knowing the Spanish Treasury was published in the Spanish national press, informing about a postponement of payment for the DST, which enters into force on January 16, 2021. The reason for the deferral is the lack of the definitive approval of the regulation for the taxation of digital services and the Form 420 (for self-assessment), for which draft legislation was published respectively on December 3 and on December 15, 2020. Therefore, this first settlement, initially expected to be due on April 30, 2021, could be extended until this summer. However, this postponement should not affect the total tax collection in 2021, inasmuch all expected tax payments would be due and collected during this year.</p> <p>On June 10, 2021, the tax authority released for public comments draft guidelines establishing a framework for practical application of the DST and covering topics such as how advertising and intermediation may be treated as a taxable event, non-taxation of digital services provided between related parties, and calculation of the tax base. The draft guidelines also address certain regularization processes as well as a penalty regime or interest for late payment. It is expected that additional clarifications will soon be issued in a set of FAQs.</p> <p>On June 11, 2021, the DST tax return Form 490 was finalized; it is available only in electronic format and must be submitted electronically. The return is to be filed quarterly, during the month following the end of the corresponding quarter. However, the declaration for the first quarter of 2021 will be filed during the declaration period for the second quarter (i.e., from July 1, 2021 to August 2, 2021 or July 28 in case of direct debit). The return must be submitted even if there is no amount of tax owed.</p> <p>A new specific page of Form 490 (not provided in the draft) addresses regularization of provisional data, that is, information that is to be provided once the final amount is known. This procedure only refers to provisional data and this differs from the procedure established for amending incorrect data reported in a previous return.</p> <p>Effective from filing period beginning on July 1, 2022, a new Form 490 applies has been approved to determine the DST in Spain.</p>	

✓ *Enacted* ● *Proposed/Announced* ✗ *Proposal rejected/Waiting for Global Solution*

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			<p>During 2021 and 2022, the tax authority issued multiple binding resolutions as guidance intended to clarify the concept of intermediary through a digital interface and what constitutes a service subject to DST.</p> <p>Notably, effective January 1, 2023, following the enactment of the Foral Law 38/2022, the Community of Navarra is allowed to assess and collect any DST due since 2021, when the consumption of the digital services occurs within Navarra.</p> <p>On 28 March 2023, the Ministry of Finance amended tax form 490. The new tax form will apply to self-assessments of the first quarter of 2023, for which the filing period starts as from April 1, 2023.</p>	
Sweden	✗	Waiting for Global Solution June 1, 2018	The Finance Ministers of Denmark, Finland, and Sweden released a joint statement on digital tax, indicating that the digital economy, as well as the traditional economy, should be taxed where value is created. The statement continues that, any solution reached should be a consensus-based solution, with a substantial part done by the OECD.	74
Switzerland	✗	Waiting for Global Solution January 11, 2021	Switzerland's State Secretariat for International Finance has published an updated position on the taxation of the digital economy, including that Switzerland is looking towards long-term solutions and has no plans for introducing interim solutions such as taxes on turnover as proposed in the EU. Switzerland also reaffirmed that international companies should be taxed where added value is generated, new taxation rules should not impede growth and innovation, and tax competition must continue to be allowed within a fair framework.	75
	✓	Enacted February 9, 2023	<p>Switzerland has enacted its revised Film Act, according to which any streaming or television service in Switzerland that generates annual gross income of more than CHF 2.5 million per year becomes liable to invest in Swiss filmmaking. This obligation aims at promoting local filmmaking and creating a level playing field for domestic and foreign broadcasters and streaming providers.</p> <p>The investment obligation is equal to 4% of the annual gross income generated in Switzerland and it applies from January 1, 2024.</p> <p>The obligation to invest will apply from 1 January 2024.</p>	76
Taiwan	✓	Enacted July 24, 2019	Effective January 1, 2017, payments for online advertisement and remunerations for digital services, such as online games, videos, audio broadcast, movie, TV serious, music and online platform services etc., provided to Taiwanese customers by foreign service providers without fixed place of business or business agent in Taiwan are subject to the digital	77

✓ *Enacted*
● *Proposed/Announced*
✗ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
			economy income tax regime. For revenues derived from business customers (B2B), domestic companies are required to apply a WHT on the gross amount of the payment and file withholding statements. For revenue derived from sales to consumer (B2C), the non-resident provider should file a tax return with Taiwan tax authority to self-report its taxable income and pay the tax due.	
Tanzania	✓	Enacted	June 26, 2023	
			Effective July 1, 2022, the definition of the word “Business” has been broadened to include a transaction or activity carried out through the internet or an electronic means including an electronic service or transaction conducted in the digital market place regardless of the manner in which such transaction is carried out. This means that transactions such as websites, webhosting, remote maintenance of programs and equipment, software and the updating thereof, images, text, and information, access to databases, self-education packages, music, films, games, broadcasts and events including broadcast television, will now be subject to taxation in Tanzania.	
			In addition, digital services payments made by individuals to non-resident persons are now taxed a rate of 2 percent on the amount (excluding applicable VAT). The DST will be payable by monthly installment and a monthly return is also required to be filed to the Tax Authority on or before 7th day of the subsequent month.	78
			On June 26, 2023, Tanzania enacted its Finance Act 2023 into law. The law amends the scope of the DST to align it with the VAT scope. Thus, the DST now applies to electronic services and not just “service rendered through a digital marketplace”. The law also changes the due date for the monthly payment of the DST from the 7 th to the 20 th . The law became effective on July 1, 2023.	
	✓	Enacted	July 1, 2024	
			Effective July 1, 2024, Tanzania's Finance Act 2024 requires nonresident digital platforms that make payments to resident digital content creators to withhold income tax. The withholding tax is 5% for payments to digital content creators and 3% for payments related to digital assets. Digital content includes e-books, music, movies, software, and more, provided it's not broadcast over conventional radio or TV networks. A digital content creator is someone who produces such content for sharing over the internet. Digital assets refer to intangible items of value, such as cryptocurrencies and non-fungible tokens. The term "payment" refers to the gross fair market value received or receivable when a digital asset is exchanged or transferred.	79

✓ *Enacted* ● *Proposed/Announced* ✗ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
Thailand	● Proposed	May 7, 2019	The Thai government has proposed a 5 percent withholding mechanism for the taxation of e-commerce supplies of goods and services in the country, including online advertising, gaming, shopping, and others. The financial institution facilitating the transaction would be responsible to withhold and remit the tax.	80
Tunisia	✓ Enacted	April 1, 2022	Effective January 1, 2020, a 3 percent digital tax applies on the sale of digital applications and services by non-resident companies. While the law has been enacted, the implementing regulations is still pending.	81
Turkey	✓ Enacted	February 6, 2019	15 percent withholding tax on digital advertising payments made as of January 1, 2019 to services providers and intermediaries. The Revenue Administration published Communiqué No. 17 which provides details on the scope of the withholding tax.	82
	✓ Enacted	March 20, 2020	Effective March 1, 2020, Turkey introduced a 7.5 percent DST on gross revenues derived from the provision and management of digital services, such as advertising, digital content on digital platforms, including software, applications, music, videos, video games, in-game applications, etc. However, revenue derived from digital services not exceeding TRY 20,000,000 in Turkey and Euro 750M (or equivalent) worldwide would be exempt. Also, the president has authority to reduce the 7.5 percent rate downward to 1 percent or to increase the rate upward to 15 percent.	83
Uganda	✓ Enacted	July 12, 2023	<p>The Parliament has released the Tax Amendments Bills 2023 for public consultation. The bill would introduce a 5 percent DST on non-residents providing digital services in Uganda. On May 2, 2023, the Committee on Finance recommended the Parliament to reduce the rate to 2 percent. In-scope digital services include:</p> <ul style="list-style-type: none"> – online advertising services; – data services; – services delivered through an online marketplace or intermediation platform; – digital content services, including accessing and downloading of digital content; – online gaming services; – cloud computing services; – data warehousing; – other services delivered through a social media platform or an internet search engine. 	84

✓ *Enacted* ● *Proposed/Announced* ✗ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
			<p>On July 12, 2023, Uganda approved the implementation of the proposed DST. The DST will become effective after the President’s assent.</p> <p>On October 20, 2023, the Ugandan Revenue Authority issued a notice on the implementation of the 5 percent digital services tax (DST), effective from July 1, 2023. The notice provides that non-resident providers of relevant services must register via the Uganda Revenue Authority (URA) website. Taxpayers who are already registered for the VAT on digital services rules will be automatically registered for DST, possibly without notification, as their online compliance portal account may be updated to include a DST section.</p>	
Ukraine	● Proposed	September 7, 2021	The Ukraine Parliament in June 2021 adopted draft legislation concerning amendments to the tax code of Ukraine regarding the development of the digital economy in Ukraine. The draft law provides for the taxation regime of companies that are registered with “Diia City,” their investors, employees, and “engaged gig-specialists.” Diia City is a special legal framework for the IT industry. Under the draft law, a resident of Diia City would pay an 18 percent corporate income tax on the pre-tax income financial result subject to tax adjustments, or may opt to pay (1) 9 percent corporate income tax on the profit distributions, and (2) 18 percent corporate income tax on the value of transfer pricing adjustments arising from controlled transactions and CFC income.	85
	✗ Proposal rejected	September 19, 2022	The Ukraine State Tax Service issued guidance on changes in the taxation of payments to non-residents for production/distribution of advertising in Ukraine. The guidance notes the repeal of the 20 percent tax on payments for advertising services at the payer’s expense. However, on June 17, 2022, the State Tax Service clarified that, from January 1, 2022, income of a non-resident legal entity in the form of proceeds or other types of compensation received for advertising services provided to a Ukrainian resident (or permanent establishment of another non-resident) is not regarded as income of a non-resident from Ukrainian sources.	86
United Kingdom	✓ Enacted	July 28, 2023	The Finance Bill 2020, which contains the DST legislation, received royal assent on July 22, 2020. The DST is retroactively effective from April 1, 2020. On August 5, 2020, HMRC has published updates to the DST Tax Manual, including a new section with information about how to submit the return, completing a self-assessment, a notification obligation and cross-border relief claims. The government is committed to repealing the DST when an appropriate international agreement is reached on the taxation of the digitalization of the economy, however the UK DST does not contain a	87

✓ *Enacted* ● *Proposed/Announced* ✗ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite	
			<p>hardwired sunset clause – rather, the legislation provides that the UK government will review the tax in 2025. The DST legislation provides for a 2 percent tax on the revenues of search engines, social media platforms and online marketplaces which derive value from UK users. These businesses are subject to the DST when the group’s worldwide revenues from these digital activities are more than £500M and more than £25M of these revenues are derived from UK users. The Bill confirms that the due date of the tax is the day after nine months following the end of the accounting period (i.e., October 1, 2021, for calendar year-end taxpayers).</p> <p>The UK Treasury agreed to a recommendation to develop a contingency plan if the country’s DST needs to be extended beyond 2025, and also noted that it will continue to monitor the tax until reallocation rules under Pillar 1 are implemented.</p>		
	●	Announced	November 14, 2023	<p>On March 3, 2021, HMRC published a policy paper based on the OECD’s “Model Rules for Reporting by Platform Operators with respect to Sellers in the Sharing and Gig Economy.” The document states the UK’s intention to introduce certain reporting requirements for digital platforms, which may be required to disclose to HMRC the income derived by sellers of services on their platforms. HMRC will then exchange the information with the other participating tax authorities for the jurisdictions where the sellers are tax resident.</p> <p>On May 19, 2022, HMRC announced that reporting rules for digital platforms based on the OECD’s Model Reporting Rules. New provisions were introduced as part of the Finance Act 2021 to enable the implementation of the model rules, requiring digital platforms to report information on the income of their sellers to HMRC. Draft regulations for the rules are expected in the in 2022 during the summer.</p> <p>On November 24, 2023, HMRC published regulations for the implementation of the reporting rules for digital platforms based on the OECD’s Model Reporting Rules. The regime is effective from January 1, 2024.</p>	88
United Nations	✓	Enacted	August 16, 2024	<p>In April 2022, the United Nations released the 2021 version of the United Nations Model Tax Conventions. One of the main features of the revision is the new Article 12B on Income from Automated Digital Services, together with its Commentary, which were adopted in April 2021.</p>	89

✓ *Enacted*
● *Proposed/Announced*
✗ *Proposal rejected/Waiting for Global Solution*

Country	Status	Latest development	Brief description	Cite
			<p>By way of a background, the U.N. Tax Committee released on August 5, 2020 a draft proposal for a new article 12B of the U.N. Model Convention tax treaty to address the taxation of automated digital services.</p> <p>Article 12B aims to introduce a small portion of formulary apportionment into the global system. The proposal would give source countries the right to tax cross-border payments for automated digital services via a withholding tax on gross income or an apportionment formula on net income.</p> <p>The automated digital services under within scope are:</p> <ul style="list-style-type: none"> • Online advertising services; • Online intermediation platform services; • Social media services; • Digital content services; • Cloud computing services; • Sale or other alienation of user data; • Standardized online teaching services. <p>The proposal then moved on to the subcommittee, where it was discussed. On September 1, 2020, U.N. tax committee members submitted a proposal arguing that payments for software should be included in the definition of royalties, citing the allocation of taxing rights to states where software use rights are purchased. The discussion draft proposal has been open for comments until October 2, 2020. The U.N. Committee of Experts on International Cooperation in Tax Matters considered the proposal and its comments at its October 20 to October 29 virtual session.</p> <p>On March 11, 2021, a U.N. the subcommittee published an update on its work on a new article 12B for the U.N. model tax convention.</p> <p>On April 20, 2021, the UN Committee of Experts on International Cooperation in Tax Matters agreed to the text of a new article 12B and commentary for the UN model tax treaty that would grant additional taxing rights to countries where an automated digital services provider's customers are located. Article 12B would allow a contracting state to tax gross automated digital services income earned by a beneficial owner that is resident in the other contracting state and has no local PE. Article 12B does not specify any quantitative or qualitative nexus thresholds and leaves specific tax rates to be negotiated bilaterally, but it does suggest a "modest</p>	

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			<p>rate" of 3 percent or 4 percent to address concerns about double or excessive taxation, according to the commentary.</p> <p>On November 22, 2023, the UN General Assembly passed a resolution to create an ad hoc committee of country representatives tasked with drafting the terms of reference for a binding framework convention on tax cooperation. The resolution follows expressions of discontent from some countries regarding the OECD's Pillar One and Pillar Two global tax deal.</p> <p>On March 15, 2024, the South Center, an intergovernmental organization that promotes the collective interests of developing countries, submitted comments to the UN. These comments laid out recommendations for a new framework convention at the United Nations, seeking protocols to address the taxation of digital services, among other taxes. This submission followed the UN General Assembly's vote in November to create a binding framework convention on international tax cooperation.</p> <p>On June 7, 2024, a UN committee released a preliminary document, outlining the framework for a global tax treaty. The document, highlighting developing countries' push for the UN to set global tax norms, proposes that a proposed treaty should include commitments on fair tax allocation, equitable taxation of multinational enterprises and high-net-worth individuals, environmental tax measures, transparency, information exchange, and effective tax dispute resolution.</p> <p>On August 16, 2024, the UN voted on a package of guidance for the framework of a global tax treaty.</p>	
United States	● Announced	March 12, 2024	<p>State of Play</p> <p>On February 15, 2024, U.S. Treasury Department announced that in light of the revised timeline for adoption and signature of the Pillar One multilateral convention (MLC), Austria, France, Italy, Spain, and the United Kingdom have decided to extend from December 23, 2023, until June 30, 2024, the political agreement set forth in the joint statement issued on October 21, 2021, regarding their agreement that (as part of Pillar One) they will withdraw all unilateral measures concerning the imposition of DSTs once Pillar One takes effect.</p> <p>On March 12, 2024, the U.S. Treasury Department announced that in light of the revised timeline for adoption and signature of the Pillar One MLC, the United States and Türkiye have decided to extend from December 23, 2023, until June 30, 2024, the political agreement set forth in the joint statement issued on October 21, 2021, regarding their agreement that they will</p>	90

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Country	Status	Latest development	Brief description	Cite
			<p>withdraw all unilateral measures concerning the imposition of DSTs once Pillar One takes effect.</p> <p>On March 5, 2024, the US Congress Joint Committee on Taxation released a report analyzing Pillar 1 ahead of a hearing organized by the House Ways and Means Subcommittee, which was conducted on March 7, 2024. The report outlines three simulations estimating a potential revenue loss ranging from \$100 million to \$4.4 billion in US revenue under Pillar 1 Amount A.</p> <p>In March 2024, the US Treasury Department announced that it is negotiating the definition of DSTs with counterparts at the OECD. This comes after corporate taxpayers and members of the US Congress expressed concerns that the Pillar One MLC may not provide sufficient protection for businesses from all forms of digital taxes.</p> <p>Background</p> <p>On July 22, 2020, the Office of the U.S. Trade Representative (USTR) announced that it has initiated investigations of digital services taxes that have been adopted or are being considered by certain trading partners of the United States. The investigations will be conducted under Section 301 of the 1974 Trade Act and will focus on digital services taxes that are viewed as discriminating against U.S. companies as adopted or under consideration by:</p> <ul style="list-style-type: none"> – Austria – Brazil – Czech Republic – European Union – India – Indonesia – Italy – Spain – Turkey – United Kingdom <p>A notice released by the USTR addresses findings of the Section 301 investigation of France’s digital services tax launched in July 2019 and announces the imposition of additional customs duties of 25 percent on U.S. \$1.3 billion of French products imported into the United States. However,</p>	

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			<p>the additional customs duties are suspended for 180 days, until January 6, 2021.</p> <p>In January 2021, the USTR issued reports and findings from the Section 301 investigations of DSTs adopted by India, Italy, and Turkey, Austria, Spain, and the United Kingdom. The USTR found that each of these DSTs discriminates against U.S. companies, is inconsistent with prevailing principles of international taxation, and burdens or restricts U.S. commerce and thus is actionable under Section 301. Still pending and expected are USTR reports of investigations of digital services taxes (under consideration) in Brazil, the Czech Republic, the EU, and Indonesia.</p> <p>On January 7, 2021, the USTR also announced the suspension of the additional custom duties that were announced in July 2020 in response to a Section 301 investigation of France’s DST, and were scheduled to be effective January 6, 2021.</p> <p>On March 26, 2021, the USTR announced that six countries (Austria, India, Italy, Spain, Turkey, and the United Kingdom) remain subject to potential action while broader international tax negotiations continue. The investigation for the remaining four jurisdictions (Brazil, the Czech Republic, the European Union, and Indonesia) is being terminated as those have not adopted / implemented the DSTs under consideration. If, however, any of these jurisdictions proceeds to adopt or implement a digital services tax, the USTR indicated that it may initiate new investigations.</p> <p>On March 30, 2021, the USTR released for publication in the Federal Register six notices setting a hearing date and requesting comments regarding potential trade actions in connection with the Section 301 investigations of DSTs in Austria, India, Italy, Spain, the UK, and Turkey. The USTR also will accept rebuttal comments in relation to the potential actions. Comments are due April 30, 2021, and rebuttal comments are due May 10, 2021.</p> <p>On March 31, 2021, the USTR issued six notices in connection with the Section 301 investigations of DSTs in Austria, India, Italy, Spain, the United Kingdom, and Turkey, and announced that also will accept rebuttal comments in relation to the potential actions. Comments are due April 30, 2021, and rebuttal comments are due May 10, 2021. The public hearings will be held on May 3, 2021.</p> <p>On June 2, 2021, the USTR announced the conclusion of the one-year Section 301 investigations of DSTs adopted by Austria, India, Italy, Spain, Turkey, and the United Kingdom. While the conclusion is to impose</p>	

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			<p>additional tariffs on certain goods from these countries, the United States is suspending the tariffs for up to 180 days to provide additional time to complete the ongoing multilateral negotiations on international taxation at the OECD and in the G20 process.</p> <p>On October 21, 2021, U.S. Treasury published a joint statement with Austria, France, Italy, Spain, and the United Kingdom dealing with existing DSTs before Pillar 1 is fully implemented. Under the agreement, the EU countries and the UK will give tax credits to U.S. companies with DST liabilities against their future income tax liabilities under Pillar 1 rules once they are enacted. In exchange, the USTR will drop plans to impose retaliatory 25 percent tariffs on U.S. imports of Austrian, French, Italian, Spanish, and U.K. goods.</p> <p>On November 22, 2021, the U.S. Treasury Department announced that the United States and Turkey have reached an agreement on a transition from the existing Turkish DST to a new international tax framework (under the Two-Pillar solution of the OECD/G20 Inclusive Framework) to be implemented in 2023. According to Treasury release, the agreement represents “a pragmatic solution” and allows for the termination of U.S. trade measures adopted in response to the Turkish DST.</p> <p>On November 24, 2021, the U.S. Treasury Department announced that the United States and India have reached an agreement on a transition from India’s existing “equalization levy” to a new international tax framework to be implemented in 2023. The agreement allows for the United States to terminate U.S. trade measures adopted in response to the equalization levy.</p> <p>On December 15, 2021, the USTR issued a warning following Canada’s proposed DST legislation. In particular, the USTR expressed concern about the unilateral and potentially retroactive nature of the proposed Canadian DST, and also noted that DSTs are generally designed to discriminate against U.S. firms. Further, the USTR warned that if Canada adopts the proposed DST legislation, the U.S. would explore all options available to it, including review of existing trade agreements. In a January 12 letter addressed to USTR, Senate Finance Committee Chair Ron Wyden and ranking member Mike Crapo said that Canada’s plan to enact a 3 percent DST also has implications for its commitments made as part of the G-20 and the OECD’s Inclusive Framework on BEPS. On February 22, 2022, the USTR submitted comments to the Canadian government expressing opposition to Canada’s plan to enact a DST and urging Canada to abandon any plan for a unilateral measure.</p>	

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			<p>On March 1, 2023, The USTR announced that it will continue to monitor the imposition of DSTs by US trading partners and evaluate available options, including under trade agreements and domestic statutes, if other countries proceed with measures.</p> <p>On May 25, 2023, the Republican members of the House Ways & Means Committee released proposed legislation that would impose new taxes on companies that are resident in countries that have enacted legislation implementing Pillar One or Pillar Two.</p>	
Uruguay	✓ Enacted	July 16, 2018	<p>Effective from January 1, 2018, services related to businesses involved in the digital economy are now subject to income tax in Uruguay even if the services are provided from a foreign jurisdiction. Specifically, audio visual services (e.g., video, film and music streaming services) provided from abroad by electronic means to customers located in Uruguayan territory and mediation or intermediation services provided from abroad by electronic means (e.g., accommodation, transport, etc.) in which one or both parties is located in Uruguayan territory, are subject to a 12 percent non-resident income tax.</p>	91
Vietnam	✓ Enacted	December 6, 2022	<p>Effective July 1, 2020, payments made to non-resident or foreign suppliers without a permanent establishment in Vietnam carrying out e-commerce, digital-based business and other services with organizations and individuals in Vietnam are subject to tax in Vietnam at a rate that ranges between 0.1 percent – 10 percent depending on the type of business activity.</p> <p>Foreign suppliers without a permanent residence in Vietnam can register with tax authorities: an online portal for tax registration became available on March 21, 2022. If a foreign supplier fails to declare and pay tax, the commercial banks, credit institutions or payment service providers will be required to provide information to the tax authorities about the transactions involved.</p> <p>According to Decree 91/2022/ND-CP of October 30, 2022, e-commerce platform owners no longer have tax withholding obligations for households, i.e., family businesses and individuals conducting business activities through such platforms. Instead, they are required to report on a quarterly basis to the General Department of Taxation (GDT) providing relevant information about the family business and individuals participating in the sale of goods or providing services on the e-commerce platforms. The information to be provided electronically includes name, tax identification number or personal identification number or passport number, operation address, mobile phone number, and sales revenue from online orders. More detailed guidance on</p>	92

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			the reporting regime is provided in the Official Letter No. 4205/TCT-DNNCN of November 6, 2022.	
Zimbabwe	✓ Enacted	January 1, 2019	Effective from January 1, 2019, Zimbabwe has introduced new rules for the taxation of non-resident e-commerce platforms and satellite broadcasting service providers. Any amount receivable by or on behalf of an e-commerce platform/satellite broadcasting service provider domiciled outside Zimbabwe from persons resident in Zimbabwe shall be deemed to be income from a source within Zimbabwe and subject to tax at a rate of 5 percent if the revenue exceeds USD 500,000 per annum.	93

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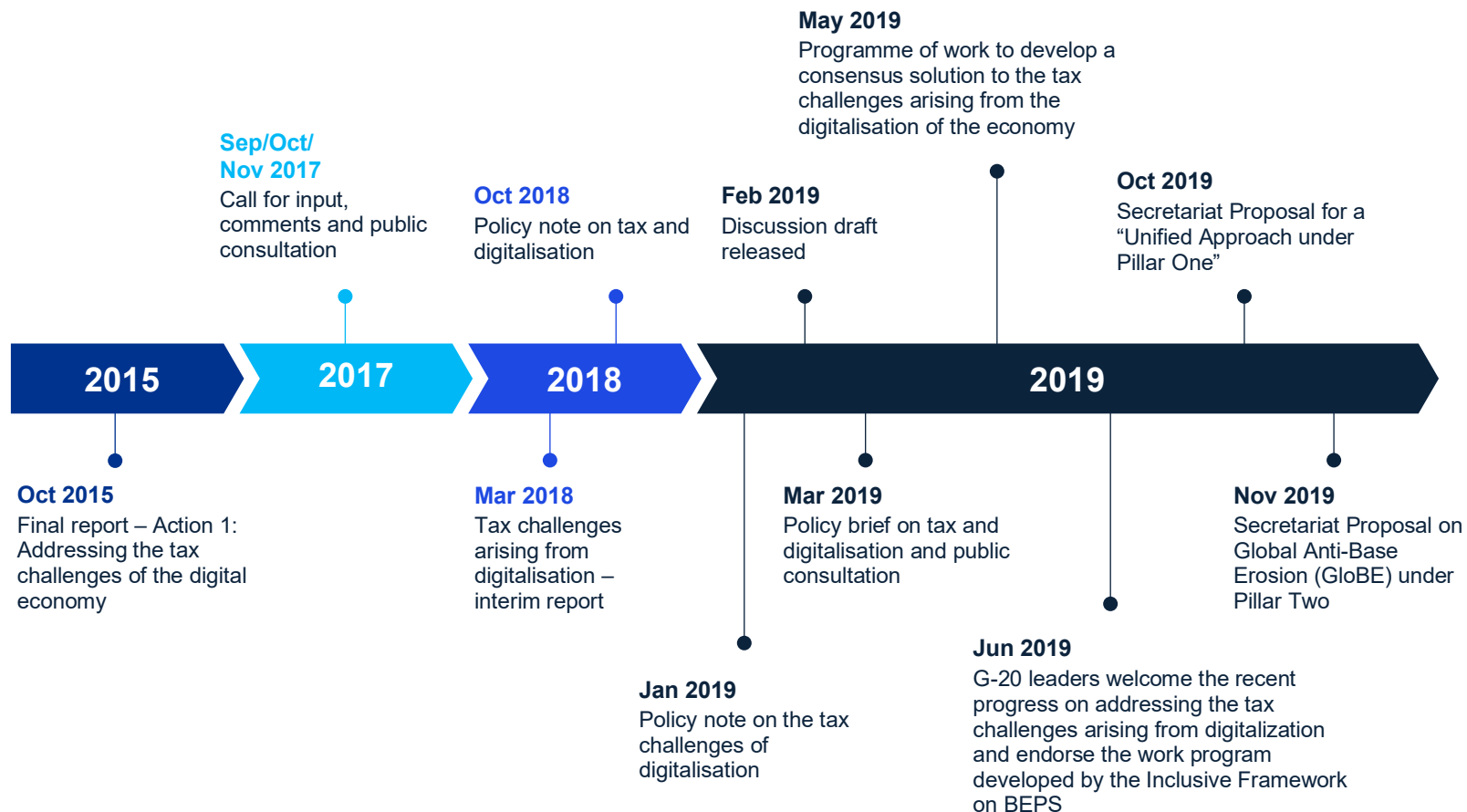
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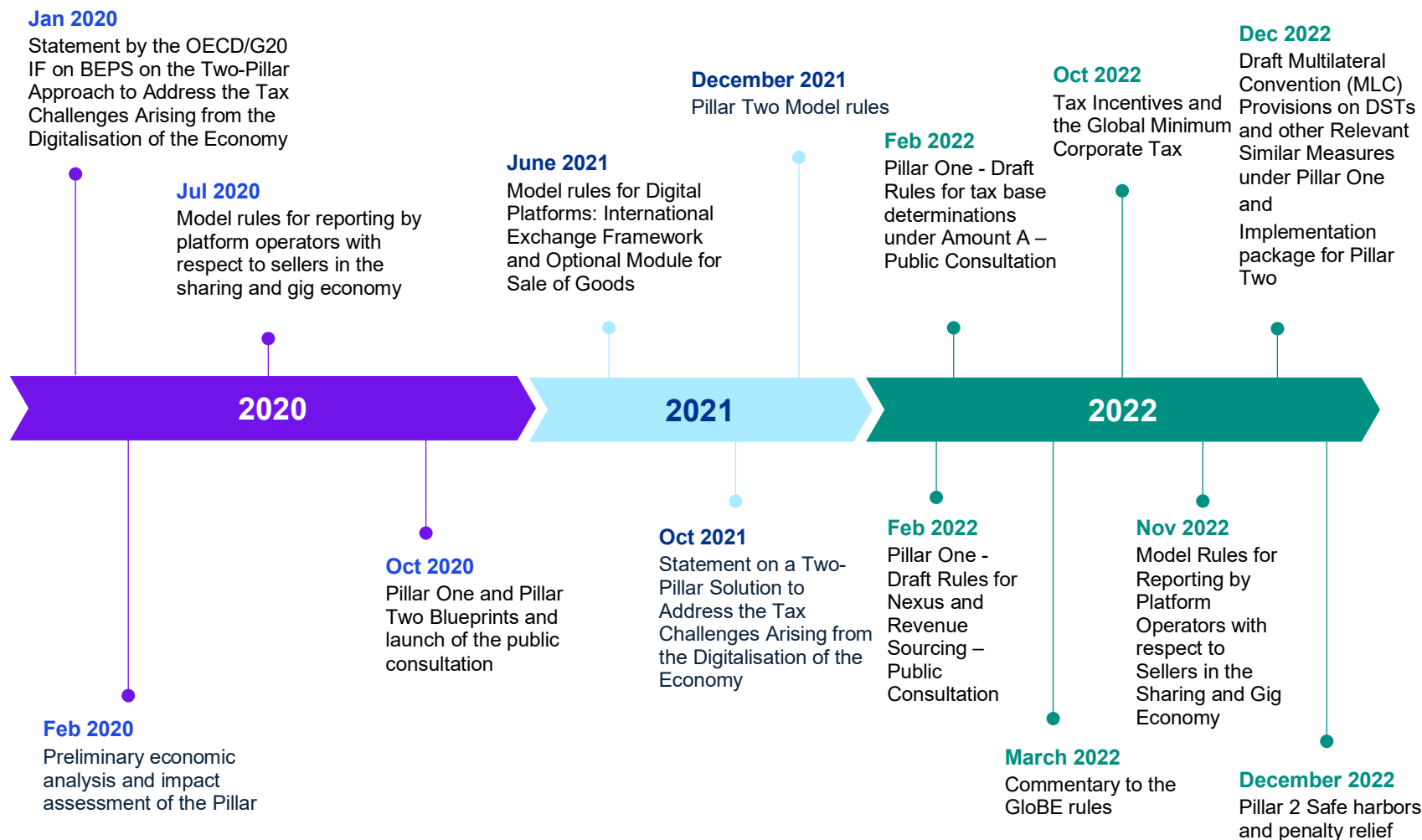
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OECD Milestones – Direct taxes





Feb and July 2023

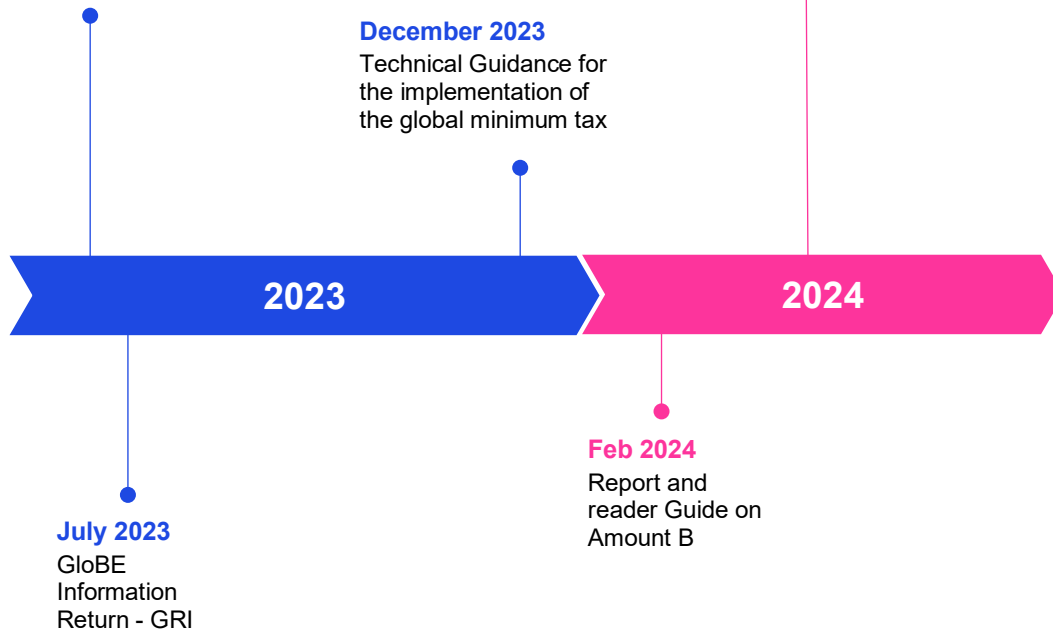
Technical Guidance for the implementation of the global minimum tax

December 2023

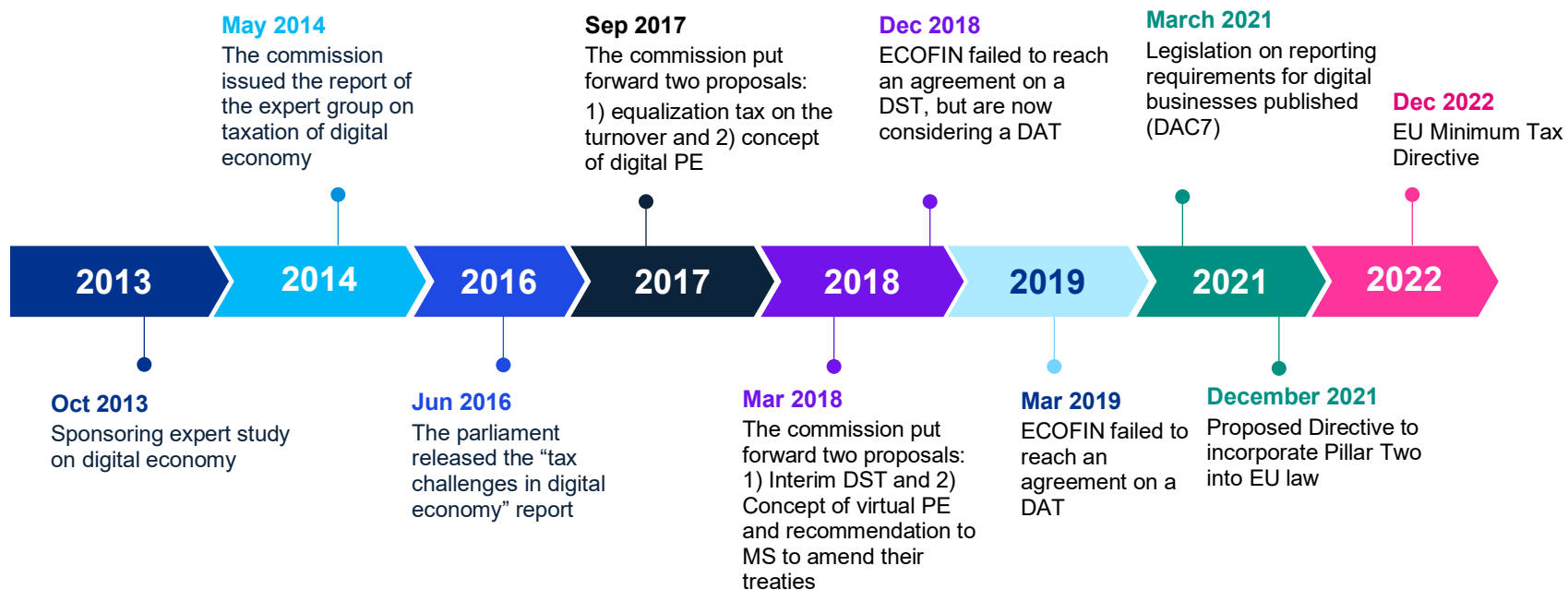
Technical Guidance for the implementation of the global minimum tax

June 2024

Technical Guidance for the implementation of the global minimum tax



EU Milestones – Direct taxes



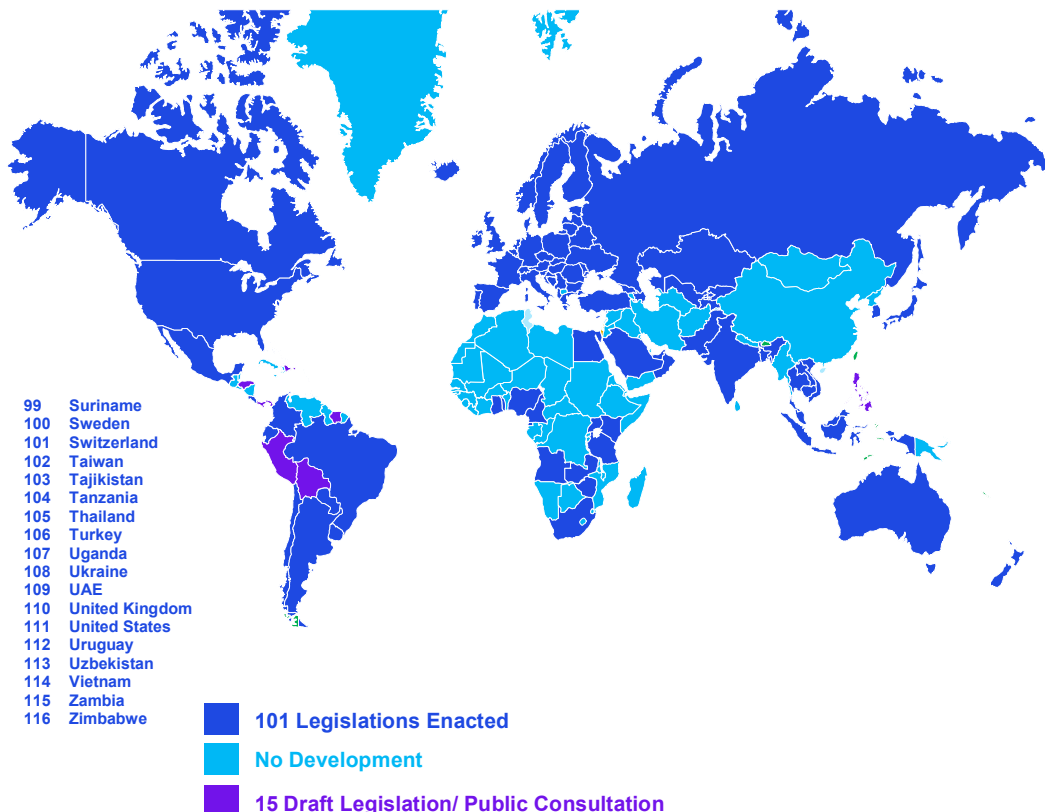
Taxation of the digitalized economy

Indirect taxes

Indirect taxes

Indirect taxes (e.g., VAT, GST)

- | | | | |
|----|------------------------|----|-----------------|
| 1 | Albania | 50 | Ireland |
| 2 | Andorra | 51 | Israel |
| 3 | Angola | 52 | Italy |
| 4 | Antigua | 53 | Ivory Coast |
| 5 | Argentina | 54 | Japan |
| 6 | Armenia | 55 | Kazakhstan |
| 7 | Aruba | 56 | Kenya |
| 8 | Australia | 57 | Kosovo |
| 9 | Austria | 58 | Kyrgyzstan |
| 10 | Azerbaijan | 59 | Laos |
| 11 | Bahamas | 60 | Latvia |
| 12 | Bahrain | 61 | Liechtenstein |
| 13 | Bangladesh | 62 | Lithuania |
| 14 | Barbados | 63 | Luxembourg |
| 15 | Belarus | 64 | Malaysia |
| 16 | Belgium | 65 | Malta |
| 17 | Bhutan | 66 | Mauritius |
| 18 | Bolivia | 67 | Mexico |
| 19 | Bosnia and Herzegovina | 68 | Moldova |
| 20 | Brazil | 69 | Monaco |
| 21 | Bulgaria | 70 | Montenegro |
| 22 | Cambodia | 71 | Nepal |
| 23 | Cameroon | 72 | Netherlands |
| 24 | Canada | 73 | New Caledonia |
| 25 | Chile | 74 | New Zealand |
| 26 | Colombia | 75 | Nigeria |
| 27 | Costa Rica | 76 | North Macedonia |
| 28 | Croatia | 77 | Norway |
| 29 | Cyprus | 78 | Oman |
| 30 | Czech R. | 79 | Pakistan |
| 31 | Denmark | 80 | Palau |
| 32 | Dominican R. | 81 | Panama |
| 33 | Ecuador | 82 | Paraguay |
| 34 | Egypt | 83 | Peru |
| 35 | Estonia | 84 | Philippines |
| 36 | Fiji | 85 | Poland |
| 37 | Finland | 86 | Portugal |
| 38 | France | 87 | Romania |
| 39 | French Polynesia | 88 | Russia |
| 40 | Georgia | 89 | Rwanda |
| 41 | Germany | 90 | Saudi Arabia |
| 42 | Ghana | 91 | Serbia |
| 43 | Greece | 92 | Sierra Leone |
| 44 | Guatemala | 93 | Singapore |
| 45 | Honduras | 94 | Slovakia |
| 46 | Hungary | 95 | Slovenia |
| 47 | Iceland | 96 | South Africa |
| 48 | India | 97 | South Korea |
| 49 | Indonesia | 98 | Spain |



To learn more about Taxation of the digitalized economy [BEPS Pillar One and Pillar Two \(kpmg.us\)](https://www.kpmg.us) “The designations employed and the presentation of material on this map do not imply the expression of any opinion on the part of KPMG LLP concerning the legal status of any country, territory, city or any area or of its authorities or concerning the delineation of its frontiers or borders.”

Taxation of the digitalized economy – indirect taxes

Country specific detail – Indirect taxes

✓ *Enacted*
 ● *Proposed / Announced*
 ✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite
Albania	✓ Enacted	November 12, 2014	Effective January 1, 2015, Albania requires non-resident vendors of digital services to consumers (B2C) in Albania to register for and collect VAT, regardless of the sales amount.	1
Andorra	✓ Enacted	October 1, 2013	Effective January 1, 2014, Andorra requires non-resident vendors of digital services to consumers (B2C) in Andorra to register for and collect VAT if their sales exceed EUR 40,000 in a 12-month period.	2
	✓ Enacted	August 20, 2022	On July 20, 2022, Andorra published Law 24/2022, which, among other things, clarifies that VAT is not applicable on cryptocurrency mining activities.	3
Angola	✓ Enacted	August 1, 2022	Effective October 1, 2019, Angola requires non-residents providing remote services, including digital services, to consumers (B2C) in Angola to register for and collect VAT, regardless of the sales amount.	4
	✓ Enacted	April 6, 2024	On December 28, 2023, Angola enacted Law No. 14/23, introducing new VAT rules for e-commerce transactions, making sales taxable in Angola if the buyer is based there, or if a local financial institution facilitates the payment. The law, applicable to both B2C and B2B sales, doesn't specify any compliance requirements for e-commerce platforms nor does it clarify the interaction between VAT and import rules, thus, further implementing rules are expected from the Angolan tax authorities.	5
Antigua	● Announced	February 1, 2021	The government of Antigua and Barbuda recently announced that it is considering amending Antigua's sales tax legislation to allow for the application of the sales tax to online purchase, with details of the regime to be released after they are finalized.	6
Argentina	✓ Enacted	December 1, 2022	Effective June 25, 2018, Argentinean financial intermediaries, including credit and debit card providers, are required to add and withhold VAT when an Argentinean user pays for digital services provided by non-residents.	7
			<p>Argentina's tax authority (AFIP) has published an updated list of digital service providers that are subject to VAT withholding on supplies made to Argentine residents. The updated list is effective from September 2020 and includes over 400 entities.</p> <p>The AFIP published an updated list of digital service providers that are subject to VAT withholding on supplies made to Argentine residents. The updated list is effective from December 2022 and includes over 900 entities.</p>	

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
	✓	Enacted	December 3, 2019	The AFIP and the tax collection agency of the Buenos Aires Province (ARBA) issued Joint General Resolutions 4632 and 37/2019, which regulate the reporting and payment to the Buenos Aires Province gross receipts tax on digital services from banks, credit card companies and other agents acting as substitute taxpayers of non-resident service providers. These taxpayers must report and pay amounts withheld from the digital services under the rules established by General Resolution 2233 (SICORE System) and have the option to report the accumulated amount for each user monthly. The Resolutions are effective December 1, 2019.	8
	✓	Enacted	November 22, 2021	On November 16, 2021, Argentina published Decree 796/2021, which introduces a 0.6 percent financial transaction tax applicable to transactions involving virtual currencies.	9
	✓	Enacted	January 30, 2023	On January 23, 2023, Argentina published General Resolution 5319, which requires digital platforms to act as VAT withholding agents for the sale of products and provision of services performed through the platforms by local vendors effective April 1, 2023. The withholding amount varies depending on the status of the local seller: 1 percent for taxable persons; between 3 and 7 percent for taxable persons considered non-compliant; 7 percent for sellers under the simplified tax regime; and 8 percent for non-registered taxable persons.	10
Armenia	✓	Enacted	November 18, 2021	Effective January 1, 2022, Armenia requires non-resident vendors of digital services to consumers (B2C) in Armenia to register for and collect VAT, regardless of the sales amount.	11
Aruba	✓	Enacted	January 6, 2023	Effective January 1, 2023, Aruba requires non-resident vendors of certain services, including digital services, to consumers (B2C) in Aruba to register for and collect VAT, regardless of the sales amount.	12
Australia	✓	Enacted	May 13, 2016	Effective July 1, 2017, Australia requires non-residents (including online platforms) providing remote services, including digital services, to consumers (B2C) in Australia to register for and collect GST if their sales exceed AUD 75,000 in a 12-month period.	13
	✓	Enacted	December 12, 2019	The Australian Taxation Office (ATO) finalized GST Ruling GSTR 2019/1, which clarifies when a sale of a service is connected with the indirect tax zone (Australia) for GST purposes. The Ruling applies from October 1, 2016 and supersedes previous rulings on this matter without material amendments, except that the new ruling also covers digital sales.	14
	✓	Enacted	September 9, 2019	Effective July 1, 2019, offshore sellers of Australian hotel accommodation are required to charge GST in the same way as local sellers if their sales exceed AUD 75,000 in a 12-month period.	15
	✓	Enacted	June 19, 2017	Effective July 1, 2018, non-resident vendors (including online platforms) selling low value consignments of goods valued below AUD 1,000 to Australian consumers (B2C) must register for and collect GST if their sales exceed AUD 75,000 in a 12-month period.	16

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite
	● Announced	August 19, 2022	<p>On March 21, 2022, the Australian government tasked the Australian Board of Taxation with reviewing an appropriate policy framework for the taxation of digital assets and transactions in Australia. This includes reviewing the current Australian taxation treatment of digital assets and transactions and emerging tax policy issue and recommending if changes are necessary.</p> <p>In August 2022, the Board published a Consultation Guide, which provides an overview of crypto assets and the current taxation treatment within Australia. The guide outlines recent relevant government reports and announcements and poses a series of questions for interested parties to consider when formulating input to the review.</p>	17
	● Announced	August 10, 2022	<p>On August 10, 2022, the ATO released a draft update to its GST guidance GSTR 2002/2 Goods and service tax: GST treatment of financial supplies and related supplies and acquisitions, which reflects changes in the GST law such as changes to the GST rules applicable to cross-border sales of services as applied to digital currency.</p>	18
Austria	✓ Enacted	January 1, 2019	<p>Effective July 1, 2003, Austria requires non-EU vendors (including online platforms) of digital services to consumers (B2C) in Austria to register for and collect VAT, regardless of the sales amount. The obligation was expanded to EU-established digital services providers effective January 1, 2015.</p> <p>Effective January 1, 2019, Austria applies a VAT registration threshold of EUR 10,000 for EU-established digital services providers. The threshold does not apply to non-EU businesses.</p>	19
	✓ Enacted	July 1, 2021	<p>Effective July 1, 2021, Austria requires non-resident vendors (including online platforms) selling low value consignments of goods valued below EUR 150, which are directly shipped from outside the EU to Austrian consumers (B2C), to register for and collect VAT, regardless of the sales amount.</p>	20
	✓ Enacted	October 25, 2019	<p>On October 31, 2019, Austria published in the official gazette the digital tax package (<i>Digitalsteuerpaket</i>) which introduces a new reporting requirement for digital platforms facilitating the sale of goods and services to final consumers (B2C) in Austria effective January 1, 2020.</p>	21
Azerbaijan	✓ Enacted	April 21, 2021	<p>On April 16, 2021, the Azerbaijani Ministry of Taxes clarified that banks are obligated to calculate and withhold VAT from purchases paid online by individuals not registered with the tax authority.</p>	22
			<p>Effective January 1, 2023, Azerbaijan adopted a law requiring non-residents providing goods or services to residents through electronic platforms to register for and collect VAT.</p>	
	✓ Enacted	July 9, 2024	<p>In November 2023, the government of Azerbaijan published the implementation regulations regarding the requirement for nonresidents to register for and collect VAT on sales of digital services to final consumers in Azerbaijan, regardless of the sales amount.</p> <p>Effective June 1, 2024, the Azerbaijan tax authority launched the registration portal for nonresident digital services providers to voluntarily collect and remit VAT on sales of digital services.</p>	23

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
Bahamas	✓	Enacted	May 15, 2014	Effective January 1, 2015, The Bahamas requires non-resident vendors (including online platforms) of digital services to customers (B2C and B2B) in The Bahamas to register for and collect VAT if their sales exceed BSD 100,000 in a 12-month period.	24
	✓	Enacted	July 1, 2019	Effective July 1, 2019, all online marketplaces that advertise and facilitate vacation home rentals in The Bahamas are required to register for and collect VAT on their rental and related sales to consumers in The Bahamas regardless of the registration threshold. The new rules seek to provide for the mandatory registration for all online providers of hotels, condos, or marketplaces for vacation home rentals. The law provides a transitional provision that requires any marketplace that is not already a registrant shall apply for registration by October 1, 2019. In addition, the Value Added Tax (Amendment) Act, 2019 removes the BSD 100,000 registration threshold for digital services provided through online marketplaces.	25
	✓	Enacted	July 1, 2020	Effective July 1, 2020, The Bahamas enacted the Value Added Tax (Amendment) Act, 2020, which clarifies that the BSD 100,000 threshold does not apply to digital services provided directly or through an online marketplace.	26
	●	Announced	October 30, 2020	On October 27, 2020, The Bahamas government announced the enforcement of the collection of VAT on digital services provided by foreign entities and consumed in the Bahamas.	27
Bahrain	✓	Enacted	December 24, 2018	Effective January 1, 2019, Bahrain requires non-resident vendors of digital services to consumers (B2C) in Bahrain to register for and collect VAT, regardless of the sales amount.	28
	✓	Enacted	January 5, 2021	On December 31, 2021, Bahrain published VAT Public Clarification VAT/PC/20/3, which clarifies that the effective use and enjoyment of telecommunication services which do not require the customer to be physically present in a specific location is where the customer usually resides. The place of residence of the customer may be determined based on the following criteria: (1) the internet protocol address used by the customer to receive the service; (2) the country code of the SIM card used by the customer to receive the service; (3) the customer's address as stated on the VAT invoice or other documents used for billing; (4) details of the customer's bank account; and (5) other information of a commercial nature.	29
Bangladesh	✓	Enacted	August 10, 2023	Effective July 1, 2019, Bangladesh requires non-resident vendors of digital services to consumers (B2C) in Bangladesh to register for and collect VAT, regardless of the sales amount. On June 11, 2020, Bangladesh's National Board of Revenue issued instructions to local Banks to withhold VAT when remitting money to non-resident service providers. This applies not only in respect of digital services, but any services rendered to local customers by a non-resident service provider. Effective June 1, 2023, Bangladesh expanded the scope of its non-resident digital services rules to include intermediation services provided by non-resident marketplaces facilitating the sale of goods or services.	30

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
	✓	Enacted	September 13, 2021	Effective July 1, 2021, Bangladesh eliminated the obligation for non-resident digital services providers to appoint a local VAT agent. Non-residents should thus directly register for VAT if they sell digital services to consumers in Bangladesh. For this purpose, the Bangladeshi tax authority has developed a new VAT registration form (i.e., Mushak- 2.2).	31
Barbados	✓	Enacted	January 13, 2020	Effective December 1, 2019, Barbados requires non-resident vendors of digital services to customers (B2C and B2B) in Barbados to register for and collect VAT, regardless of the sales amount.	32
Belarus	✓	Enacted	November 1, 2016	Effective January 1, 2018, Belarus requires non-resident vendors (including online platforms) of digital services to consumers (B2C) in Belarus to register for and collect VAT, regardless of the sales amount.	33
	✓	Enacted	January 4, 2022	Effective July 1, 2022, Belarus requires non-resident vendors of goods to customers in Belarus to register for and collect VAT if their sales exceed the threshold of EUR 10,000 in a calendar year.	34
	✓	Enacted	January 18, 2023	Effective January 1, 2023, Belarusian resident legal entities and individual entrepreneurs must calculate and pay VAT on purchases of goods, works, or services in Belarus from foreign individual entrepreneurs who are not registered with the Belarusian tax authorities.	35
Belgium	✓	Enacted	January 1, 2019	Effective July 1, 2003, Belgium requires non-EU vendors (including online platforms) of digital services to consumers (B2C) in Belgium to register for and collect VAT, regardless of the sales amount. The obligation was expanded to EU-established digital services providers effective January 1, 2015. Effective January 1, 2019, Belgium applies a VAT registration threshold of EUR 10,000 for EU-established digital services providers. The threshold does not apply to non-EU businesses.	36
	✓	Enacted	July 1, 2021	Effective July 1, 2021, Belgium requires non-resident vendors (including online platforms) selling low value consignments of goods valued below EUR 150, which are directly shipped from outside the EU to Belgian consumers (B2C), to register for and collect VAT, regardless of the sales amount.	37
	✓	Enacted	January 1, 2020	Effective January 9, 2020, Belgium introduced new reporting obligations for online platforms. Platforms must provide their business users with a document mentioning: (1) the identity of the user and his tax number or, when the user does not have a tax number, his date of birth, his first and last name, and his full address; (2) the date of the start or end of his activity; (3) the description of the services provided by the user; (4) the gross amount of transactions carried out by the user, broken down if necessary according to the nature of the service provided; and (5) where applicable, the amount and nature of any sums withheld, broken down if necessary according to the nature of the service provided. This documentation must also be submitted to the tax authority by no later than March 31 of the year following the relevant year.	38

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite
	✓ Enacted	August 5, 2022	On July 22, 2022, the Belgian tax authorities published guidance clarifying the tax treatment of cryptocurrencies and non-fungible tokens (NFTs). With respect to VAT, the tax authorities clarify that cryptocurrency exchange transactions are exempt from VAT. The same applies to the negotiation of a third party within the framework of a contract for the transfer of bitcoins. There is also an exemption on financial transactions involving non-traditional currencies, but only if these currencies are intended solely to be alternative means of payment. However, NFTs are not considered means of payment. They are digital collectibles or digital art objects, which are not VAT exempt. As NFTs should qualify as digital services, they should be taxable in Belgium at the standard VAT rate if the recipient is established in Belgium.	39
	✓ Enacted	November 27, 2023	Effective January 1, 2024, Belgium imposes joint liability on digital platforms for VAT payments in situation where the digital platforms are not considered deemed suppliers for VAT purposes. Digital platforms are required to confirm vendors' VAT identification numbers before facilitating sales and on an annual basis. If the tax authority communicates serious suspicions about a vendor three times, the platform must either exclude the vendor or share liability for unpaid VAT.	40
Benin	✓ Enacted	May 4, 2023	On April 14, 2023, the tax authorities of Benin published Circular N°0426/DC/SGM/DGI/DLC/DCFR which requires non-resident vendors (including online platforms) of digital services to consumers (B2C) in Benin to register for and collect VAT, regardless of the sales amount. Taxpayers have six months from the publication of the Circular to register.	41
Bhutan	✓ Enacted	August 1, 2022	Effective July 1, 2022, Bhutan planned to introduce a new goods and services tax (GST) system, which, among other things, would require non-resident vendors of digital services to consumers (B2C) in Bhutan to register for and collect GST if their sales exceed BTN 5,000,000 in a 12-months period. On July 14, 2022, Bhutan announced the postponement of the implementation of the new GST until the IT management for the new tax is ready. The announcement did not include any tentative implementation deadline.	42
Bolivia	● Proposed	May 7, 2021	On May 4, 2021, the Chamber of Deputies of Bolivia published draft bill PL No. 164/2020-2021, which would require non-resident digital services providers to register for and collect VAT. If a non-resident digital service provider is not registered for VAT purposes, the bill would allow the tax authorities to require financial intermediaries to withhold VAT.	43
Bosnia and Herzegovina	✓ Enacted	February 2, 2023	On February 2, 2023, the tax authority of Bosnia and Herzegovina reminded non-residents of digital services to consumers (B2C) in Bosnia and Herzegovina that they are required to register for and collect VAT.	44
Botswana	● Announced	February 20, 2024	On February 5, 2024, the Finance Minister of Botswana announced during a Budget Speech that the country plans to revise its VAT law to include digital sales of goods and services by remote vendors.	45

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
Brazil	✓	Enacted	January 2, 2017	Effective January 1, 2017, municipalities in Brazil can impose municipal services tax (ISS) on certain digital services. However, this does not apply to services provided by non-residents.	46
	✓	Enacted	October 19, 2017	Effective April 1, 2018, Brazil allows states to impose state-level VAT (ICMS) on digital goods, such as apps, e-books, software, games, etc. The tax is paid in the state where the download or streaming is conducted and where the purchasing consumer is located. The rules do not apply to non-residents. In addition, while not all the states have opted to taxing software, Sao Paolo, Paraiba, Goias, Piaui e Rondonia are states that have introduced such rules.	47
	✓	Enacted	February 25, 2021	In February 2021, the Supreme Court of Brazil (STF) held in binding decisions in ADI 5.659 and ADI 1.945 that only the municipal services tax (ISS) can be levied on software licensing and therefore the state-level VAT (ICMS) cannot be levied on the downloading of software. Businesses that had opted to pay ICMS could not seek refunds, while municipal tax authorities could not claim the unpaid ISS prior to the date of the decision. However, those businesses that had paid both ICMS and ISS could claim back the ICMS. Businesses that had paid neither could be subject to demands from municipalities.	48
	✓	Enacted	August 5, 2022	In March 2021, the Supreme Court of Brazil (STF) held that State Convention 106/2017, which allowed states to levy ICMS on digital goods, is ineffective as only ISS should be applied to those sales.	49
	●	Proposed	May 14, 2024	On April 24, 2024, the Brazilian government proposed a tax reform bill introducing a new dual VAT regime, replacing the current state VAT, municipal tax on services, and federal PIS/COFINS contributions with two harmonized taxes: a tax on goods and services (IBS) and the contribution on goods and services (CBS). For the first time, non-residents conducting taxable transactions in Brazil would have an indirect tax compliance obligation, requiring them to register for, collect, and remit the new taxes. The proposal also introduces a new IBS/CBS liability for transactions conducted through digital platforms, regardless of whether the sellers are Brazilian or non-resident, and whether they are registered for IBS/CBS. The tax reform is currently under review by the Brazilian parliament and could be approved within 2024, with the new regime expected to start in 2026. Further details, including the IBS/CBS obligations of non-residents, are expected in the implementing regulations.	50
Bulgaria	✓	Enacted	January 1, 2019	Effective January 1, 2007, Bulgaria requires non-EU vendors (including online platforms) of digital services to consumers (B2C) in Bulgaria to register for and collect VAT, regardless of the sales amount. The obligation was expanded to EU-established digital services providers effective January 1, 2015.	51
	✓	Enacted	July 1, 2021	Effective January 1, 2019, Bulgaria applies a VAT registration threshold of EUR 10,000 for EU-established digital services providers. The threshold does not apply to non-EU businesses. Effective July 1, 2021, Bulgaria requires non-resident vendors (including online platforms) selling low value consignments of goods valued below EUR 150, which are directly shipped from outside the EU to Bulgarian consumers (B2C), to register for and collect VAT, regardless of the sales amount.	52

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite
Cabo Verde	● Announced	October 6, 2021	On October 6, 2021, Cabo Verde announced tax measures in its 2022 state budget which includes a proposal to introduce VAT on e-commerce and digital services transactions provided by non-resident provider.	53
Cambodia	✓ Enacted	January 17, 2022	Effective April 1, 2022, Cambodia requires non-resident vendors of digital services to customers (B2C and B2B) in Cambodia to register for VAT if their sales exceed KHR 250 million in a 12-month period. The concept of digital services is broader as generally understood as it also includes electronic access to professional advice. In addition, while the obligation to register applies to both B2C and B2B sales, non-residents are only required to collect VAT on B2C sales but report both B2C and B2B sales in their VAT returns.	54
	✓ Enacted	July 8, 2021	The Cambodian Ministry of Commerce issued Notification No. 1143 on the requirement to apply for e-commerce licenses or permits. The notification is a reminder that persons or entities that conduct e-commerce businesses in Cambodia are required to obtain a license or permit at the risk of penalties or termination of their business activities in Cambodia. Applications for the license can be submitted electronically or directly with the Commercial Registration Department.	55
	✓ Enacted	February 20, 2023	On January 24, 2023, the General Department of Taxation (GDT) issued Instruction No. 2520, which clarifies and add some rules and procedures regarding the VAT rules applicable to non-resident digital services providers. The instruction clarifies that non-resident taxpayers who only have transactions with related parties (e.g., subsidiary or branch) in Cambodia are exempted from simplified VAT registration, but the related party in Cambodia needs to notify the GDT. Moreover, for business-to-business (B2B) transactions, the self-assessment taxpayers who have already filed the monthly tax declaration can amend the VAT amount by using credit notes issued by the non-resident taxpayers. However, VAT credits resulting from this amendment are only deductible against VAT reverse charge.	56
Cameroon	✓ Enacted	January 17, 2020	Effective January 1, 2020, Cameroon requires non-resident vendors (including online platforms) of goods and services provided in Cameroon through foreign or local e-commerce platforms to register for and collect VAT, regardless of the sales amount.	57

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
Canada	✓	Enacted	January 24, 2022	<p><i>Federal rules</i></p> <p>Effective July 1, 2021, Canada requires the following non-resident vendors to register for and collect the federal GST/HST if their sales exceed CAD 30,000 in a 12-month period:</p> <ol style="list-style-type: none"> 1. Non-resident vendors or non-resident distribution platform operators who sell (or facilitate the sale of) taxable digital products or services, such as online music streaming or traditional services, to Canadian consumers (B2C) who are not registered under the normal GST/HST 2. Non-resident vendors or non-resident distribution platform operators who sell (or facilitate the sale of) qualifying goods, including goods that are delivered or made available in Canada, such as goods located in a fulfillment warehouse or goods shipped to a purchaser in Canada; and 3. Non-resident vendors of taxable short-term accommodation in Canada or accommodation platform operators that facilitate such sales. <p>On January 24, 2022, the Canadian Revenue Agency published an updated guidance on GST/HST for non-resident businesses, which, among other things, includes clarifications concerning GST/HST changes for businesses in the digital economy that took effect July 1, 2021.</p>	58
	✓	Enacted	March 26, 2021	<p><i>Province of Quebec</i></p> <p>Effective January 1, 2019, Quebec requires non-residents selling services and goods to consumers (B2C) in Quebec to register for and collect Quebec sales tax (QST) if their sales exceed CAD 30,000 in a 12-month period.</p> <p>Quebec extended this obligation to Canadian online platforms not registered for QST effective March 1, 2019 and to other Canadian online businesses not QST registered effective September 1, 2019.</p> <p>Effective July 1, 2021, Quebec amended the QST regime to adapt it to the federal GST/HST rules.</p>	59
	✓	Enacted	July 3, 2020	<p><i>Province of Saskatchewan</i></p> <p>Effective April 1, 2019, Saskatchewan requires out-of-province businesses (including non-residents) making retail sales of taxable goods and services acquired for use or consumption (B2C and B2B) in or relating to Saskatchewan to register for and collect provincial sales tax (PST), regardless of the sales amount.</p> <p>Effective January 1, 2020, Saskatchewan requires out-of-province e-commerce platforms (including electronic distribution platforms and online accommodation platforms) to collect and remit PST on the sales of taxable goods and services they facilitate. In addition, Saskatchewan expanded the list of taxable services on which taxpayers must collect and remit PST. Such services include electronic distribution services that are delivered, streamed, or accessed through an electronic distribution platform (e.g., website, portal, or gateway).</p>	60

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite
	✓	Enacted	<p><i>Province of British Columbia</i></p> <p>Effective April 1, 2021, Canadian sellers of goods and non-Canadian sellers of software and telecommunication services to customers in British Columbia (B2C and B2B) are required to register for and collect provincial sales tax (PST) if their sales exceed CAD 10,000 in a 12-month period.</p> <p>Effective July 1, 2022, British Columbia requires marketplace facilitators to register for and collect PST.</p>	61
	✓	Enacted	<p><i>Province of Manitoba</i></p> <p>Effective December 1, 2021, Manitoba requires resident and non-resident online platform operators, providers of streaming services, and online accommodation platforms to register and collect retail sales tax (RST) if the sales exceed CAD 10,000.</p> <p>In December 2021, the finance department of Manitoba issued Information bulletin No. 64 clarifying the new RST obligations applicable to streaming services, online sales platforms, and online accommodation providers.</p>	62
	✓	Enacted	<p><i>Province of Alberta</i></p> <p>Effective April 1, 2022, Alberta requires online marketplaces to collect and remit the tourism levy on behalf of Alberta short-term rental hosts.</p>	63
	✓	Enacted	<p><i>Province of British Columbia</i></p> <p>Effective July 1, 2023, British Columbia clarified that online marketplace services are taxable when an online marketplace facilitator provides the online marketplace services to facilitate the sale or provision of non-taxable services.</p>	64
	✓	Enacted	<p><i>Province of British Columbia</i></p> <p>On March 10, 2023, the Supreme Court of the Province of British Columbia held in <i>Hootsuite Inc.</i>, [2023 BCSC 358], that the cloud computing products at issue are not subject to the provincial sales tax because they do not constitute software programs for use on a computer in the province.</p>	65
	✓	Enacted	<p><i>Province of British Columbia</i></p> <p>On April 29, 2024, British Columbia published the 2024: Budget Measures Implementation Act, 2024, which, among other things, retroactively expands the definition of "software" in the Provincial Sales Tax Act from April 1, 2013, to include "infrastructure as a service," "software as a service," application programming interfaces, and the right to receive software modifications or new versions, while also redefining "use" to encompass various ways of accessing the software.</p>	66

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
Chile	✓	Enacted	March 17, 2022	<p>Effective June 1, 2020, Chile requires non-resident vendors of digital services to consumers (B2C) in Chile to register for and collect VAT, regardless of the sales amount.</p> <p>On June 11, 2020, the tax authority of Chile (SII) issued Circular 42 regulating the imposition of VAT on digital services. The Circular includes the following: (1) a detailed explanation of the digital services in scope of the rules and the taxable events triggering the application of VAT; (2) the geolocation criteria for the establishment of the tax; (3) the interaction between VAT and withholding taxes on digital services; (4) rules on the persons responsible for the withholding and payment of the tax; and (5) details on the registration system.</p> <p>Chile further introduced a new VAT refund procedure for foreign taxpayers subject to the simplified VAT regime for digital services. Taxpayers that mistakenly declare and enter an amount of VAT greater than due may request a refund or imputation of the excess VAT paid by applying via email. In addition, digital service providers may request to modify the tax period and reporting currency once a year, between January 21 and 31 of each year. If the request is accepted, it will take effect on January 1 of that same year.</p>	67
	✓	Enacted	July 28, 2020	<p>On July 22, 2020, the SII issued Letter No. 1401, clarifying that VAT applies to online platforms where patients are treated by doctors through video calls. The online platform is considered a taxpayer and is subject to VAT on the commission charged to bring patient flows to doctors as an intermediary activity.</p>	68
	✓	Enacted	August 22, 2020	<p>On August 21, 2020, the SII issued a Resolution requiring banks to present a quarterly Payment Cards Report identifying each payment to entities not residing or domiciled in Chile. The report must include the international reference number, the date, the name and location of the foreign business, the sum, the currency and equivalence in U.S. dollars, and other details.</p>	69
	✓	Enacted	April 7, 2021	<p>On March 25, 2021, the SII published Ruling 778 in which it held that payments made for the right to use software are generally exempt from withholding tax, provided they do not entail the right to commercially exploit the software. Consequently, the acquisition of software licences is subject to VAT. Moreover, the SII explained that the non-resident service provider must register for VAT only if the customer is not registered for VAT. However, if the Chilean entity acquiring the software is subject to VAT, it is required to issue an invoice, file a VAT return, and pay the VAT concerned in Chile.</p>	70
	✓	Enacted	May 11, 2021	<p>On April 23, 2021, the SII issued Ruling 1039 in which it held that VAT does not apply to the provision of services consisting in the design, development, and programming of software provided by non-residents.</p>	71
	✓	Enacted	November 24, 2021	<p>On November 24, 2021, the Chilean tax authority updated its list detailing the non-resident digital services providers that are non-compliant with the Chilean simplified VAT registration and filing obligations. According to the tax authority, 117 companies are noncompliant. The tax authority has stated that it is considering introducing a tax withholding model in case of continued noncompliance.</p>	72

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
	✓	Enacted	January 13, 2022	Effective January 1, 2023, Chile applies VAT to all services unless they are explicitly exempt. As services are generally sourced in Chile if provided or used in Chile, non-resident services providers are required to register for, collect, and remit VAT when providing remote services to consumers in Chile.	73
	✓	Enacted	June 1, 2022	On May 13, 2022, the SII released Resolution SII N°46/2022, which establishes an official registry or list of non-resident vendors that will be subject to the withholding of the VAT, which are referred to as “ <i>Contribuyentes IVA SD Afectos a Cambio de Sujeto</i> ” (VAT taxpayers without domicile subject to withholding). Accordingly, Chilean financial institutions issuing credit or debit cards, or any other instrument used to transfer payments to listed foreign vendors, will be required to withhold the corresponding VAT. The Resolution further provides that the first list of non-resident vendors subject to VAT withholding, which was published on the SII website on June 1, 2022. Going forward, the tax authority will add new taxpayers to the list annually.	74
	●	Proposed	August 3, 2022	On July 7, 2022, the Chilean government submitted to the parliament a tax reform proposal, which, among other things, would clarify the VAT obligations of non-resident service providers in view of the scope expansion that is effective January 1, 2023. The tax reform would amend the geolocation rules so that a consumer would be deemed to be in Chile if one of the geolocation elements is in Chile instead of two. The tax reform further proposes to include a deeming provision to consider a service as being used in Chile when, at the time of registering into the remote system of the service provider, the user states that he is resident in Chile for tax purposes.	75
	✓	Enacted	August 19, 2022	On August 4, 2022, the SII published Ruling No. 2361 in which it clarified that services rendered by a company resident in the United States through an application software that allows investing in dollars by providing financial advice and investment services should not qualify as digital services for VAT purposes.	76
	✓	Enacted	October 20, 2022	On October 12, 2022, the SII published Ruling No. 3017 in which it clarified that services performed by a platform facilitating the trading of a crypto currency are subject to VAT.	77
	✓	Enacted	June 27, 2023	On April 27, 2023, the Chilean tax authority issued Letter No. 1290T clarifying that digital currency transactions are exempt from VAT as they are intangible. Commissions for intermediaries performing digital currency operations on behalf of third parties are subject to VAT, and invoices must be issued depending on whether the purchaser is a final consumer or a taxpayer.	78
	●	Proposed	March 27, 2024	On January 29, 2024, the Chilean government proposed a tax reform bill to parliament that introduces new VAT obligations for non-resident vendors of imported goods valued below \$500 and sold to consumers in Chile. The bill presumes such goods are for use within Chile, requiring non-resident vendors to collect VAT at checkout. It also proposes marketplace rules that consider the platform as the actual seller, expanding the current simplified compliance mechanism to low-value goods.	79
	China	✓	Enacted	April 8, 2016	Imported retail goods purchased in cross-border e-commerce transactions are subject to import tariff duties, as well as VAT and consumption tax. This rule does not impact non-residents. China is combining duties, VAT, and consumption tax in one tax on e-commerce purchases.

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite
Colombia	✓ Enacted	November 28, 2018	Effective July 1, 2018, Colombia requires non-resident vendors of digital services to consumers (B2C) in Colombia to register for and collect VAT, regardless of the sales amount.	81
	✓ Enacted	August 12, 2019	According to Resolution No. 000049, non-resident service providers may opt to have VAT withheld directly at source on payments for their digital services by issuers of credit and debit cards, the sellers of prepaid cards, and other intermediaries facilitating payment for digital or electronic services instead of collecting VAT from customers.	82
	✓ Enacted	April 7, 2021	On February 5, 2021, the Colombian tax authority published Ruling 900918 in which it held that concerts provided via digital platforms do not qualify for the VAT exemption for public performances.	83
	✓ Enacted	November 7, 2023	On October 17, 2023, the Colombian tax authority issued General Tax Ruling 1621 of 2023, which clarified the tax treatment of crypto assets, including cryptocurrencies and non-fungible tokens (NFTs). These assets are categorized as intangible, and their value can be included in tax calculations. Regarding the applicable VAT treatment, the ruling clarifies that while the sale of crypto assets is not subject to VAT unless the asset is related to industrial property, services related to crypto assets, such as intermediation services or cryptographic mining, are indeed subject to VAT.	84
Congo (Republic of)	✓ Enacted	February 27, 2024	Effective January 1, 2024, the Republic of Congo requires non-resident vendors of digital services to customers (B2C and B2B) in the Republic of Congo to register for and collect VAT, regardless of the sales amount. The tax authorities have yet to publish details on the compliance mechanism, including a registration portal.	85
Costa Rica	✓ Enacted	September 29, 2020	<p>On July 1, 2019, Costa Rica implemented a new VAT system, which includes provisions on the sale of digital services by non-residents to customers in Costa Rica.</p> <p>Effective August 1, 2020, the general tax administration (DGT) established a list of non-resident vendors that are subject to the VAT on their sales of digital services made to consumers (B2C) in Costa Rica, regardless of the sales amount. Non-resident providers that are not part of the list are not subject to this mechanism for the moment. The DGT established two mechanisms to collect the VAT of those platforms: registration by non-resident digital services provider or withholding by credit and debit card issuers effective October 1, 2020.</p> <p>On September 22, 2020, the DGT issued guidance DGT-R-27-2020 providing adjustments to the original guidance regarding the collection of VAT on cross-border digital services. Changes include: (1) the requirement to collect VAT on purchases of international digital services is to be performed once the transaction is recorded on the card holder's credit or debit balance; (2) card issuers must comply with a new requirement to prepare and provide a transaction report to the tax authority three times a year; and (3) amendments to appendix N°6 that lists the names of digital service providers and entities that are subject to the VAT collection rules.</p>	86

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
	✓	Enacted	December 18, 2020	On December 15, 2020, the DGT issued Resolution DGT-R-42-2020 clarifying the rules regarding the VAT obligations for non-resident providers and intermediaries of cross-border digital services. According to the Resolution, the tax authority will update on its official website the list of cross-border services providers and intermediaries of cross-border digital services. In addition, the tax authority provided detailed information on the format and procedure for complying with the obligation to file a report on e-commerce transactions carried out quarterly that were not subject to VAT withholding. Such report is due on the last working day of May, September, and January.	87
	✓	Enacted	July 16, 2021	On July 16, 2021, the DGT published Resolution DGT-R-23-2021, which establishes the procedure for taxpayers to request a refund of VAT paid incorrectly on cross-border digital services. The refund procedure applies where a Costa Rican customer purchases an in-scope digital service from a non-resident digital service provider and the financial intermediary withheld the VAT, but the service is not consumed in Costa Rica.	88
	✓	Enacted	October 27, 2022	On July 22, 2021, Costa Rica published an updated list of non-resident digital service providers for which financial intermediaries are required to withhold VAT on purchases made by Costa Rican customers. Effective November 1, 2022, Costa Rica published an updated list of non-resident digital service providers for which financial intermediaries are required to withhold VAT on purchases made by Costa Rican customers, including certain accommodation platforms. The list includes now 136 providers of digital services.	89
	●	Proposed	November 15, 2022	The parliament of Costa Rica recently accepted for consideration Draft Bill 23415, which, if approved, would, among other things, (1) exclude from VAT acquisitions (including mining and airdrops), custodies or transfers of crypto assets provided the transaction does not represent a transfer of goods and services in the Costa Rican territory; (2) deem the use of crypto assets as private virtual currency and thus as exempt financial services; and (3) clarify that crypto asset operations do not give a right to VAT credits.	90
	✓	Enacted	June 6, 2023	Effective June 1, 2023, the tax authority of Costa Rica updated its list of cross-border digital service providers and intermediaries. The list lets local financial intermediaries know when to withhold VAT when consumers purchase digital services from non-resident providers. The list now includes 148 providers and intermediaries.	91
	✓	Enacted	October 1, 2023	On October 1, 2023, Costa Rica published an updated list of foreign providers of digital services that are subject to withholding by financial institutions. The list now includes 156 providers and intermediaries.	92
	✓	Enacted	January 1, 2019	Effective January 1, 2013, Croatia requires non-EU vendors (including online platforms) of digital services to consumers (B2C) in Croatia to register for and collect VAT, regardless of the sales amount. The obligation was expanded to EU-established digital services providers effective January 1, 2015. Effective January 1, 2019, Croatia applies a VAT registration threshold of EUR 10,000 for EU-established digital services providers. The threshold does not apply to non-EU businesses.	93
Croatia					

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
	✓	Enacted	July 1, 2021	Effective July 1, 2021, Croatia requires non-resident vendors (including online platforms) selling low value consignments of goods valued below EUR 150, which are directly shipped from outside the EU to Croatian consumers (B2C), to register for and collect VAT, regardless of the sales amount.	94
Cyprus	✓	Enacted	January 1, 2019	Effective May 1, 2004, Cyprus requires non-EU vendors (including online platforms) of digital services to consumers (B2C) in Cyprus to register for and collect VAT, regardless of the sales amount. The obligation was expanded to EU-established digital services providers effective January 1, 2015. Effective January 1, 2019, Cyprus applies a VAT registration threshold of EUR 10,000 for EU-established digital services providers. The threshold does not apply to non-EU businesses.	95
	✓	Enacted	July 1, 2021	Effective July 1, 2021, Cyprus requires non-resident vendors (including online platforms) selling low value consignments of goods valued below EUR 150, which are directly shipped from outside the EU to Cypriot consumers (B2C), to register for and collect VAT, regardless of the sales amount.	96
	✓	Enacted	January 1, 2019	Effective May 1, 2004, Czechia requires non-EU vendors (including online platforms) of digital services to consumers (B2C) in Czechia to register for and collect VAT, regardless of the sales amount. The obligation was expanded to EU-established digital services providers effective January 1, 2015. Effective January 1, 2019, Czechia applies a VAT registration threshold of EUR 10,000 for EU-established digital services providers. The threshold does not apply to non-EU businesses.	97
Czechia	✓	Enacted	July 1, 2021	Effective July 1, 2021, Czechia requires non-resident vendors (including online platforms) selling low value consignments of goods valued below EUR 150, which are directly shipped from outside the EU to Czech consumers (B2C), to register for and collect VAT, regardless of the sales amount.	98
	✓	Enacted	January 1, 2019	Effective July 1, 2003, Denmark requires non-EU vendors (including online platforms) of digital services to consumers (B2C) in Denmark to register for and collect VAT, regardless of the sales amount. The obligation was expanded to EU-established digital services providers effective January 1, 2015. Effective January 1, 2019, Denmark applies a VAT registration threshold of EUR 10,000 for EU-established digital services providers. The threshold does not apply to non-EU businesses.	99
Denmark	✓	Enacted	July 1, 2021	Effective July 1, 2021, Denmark requires non-resident vendors (including online platforms) selling low value consignments of goods valued below EUR 150, which are directly shipped from outside the EU to Danish consumers (B2C), to register for and collect VAT, regardless of the sales amount.	100

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
	✓	Enacted	December 13, 2022	The Danish tax authority clarified that the provision of rights to crypto-art is not an alternative means of payment to legal tender. Therefore, the VAT exemption for financial services does not apply when crypto-art is acquired exclusively with virtual currency as consideration. The tax authority further held that such a sale does not benefit from a concession for the first sale of art produced by a taxpayer personally. Finally, the tax authority clarified that it has not taken a position on whether the sale of crypto-art is a VAT-exempt artistic performance.	101
	✓	Enacted	March 6, 2023	On March 3, 2023, the Danish Council published Binding Answer No 22-0757927 in which it held that the sale of virtual gambling coins does not fall within the scope of the VAT exemption relating to currency, bank notes, and coins used as legal tender.	102
	✓	Enacted	July 7, 2023	On July 7, 2023, Denmark's tax authority published Tax Council Binding Answer No.SKM2023.329.SR, which clarifies the VAT treatment applicable to nonfungible tokens (NFTs) transactions related to digital art. In this situation, a taxpayer sold and rented crypto-art images as NFTs on digital platforms, receiving digital currency in return. The Tax Council confirmed that the taxpayer qualified as a taxable person under the VAT Act. However, the Act exempts artistic activities from taxation. As a result, the individual's planned sale and rental of crypto-art on the trading platforms was exempt from VAT.	103
Dominican Republic	✓	Enacted	September 15, 2021	On July 19, 2021, the tax authority of the Dominican Republic (DGII) issued Public Ruling G.L. Núm. 24434 (GLN 24434) clarifying that sales of intangible digital assets, such as domain name registration, leasing of server space (located outside of the Dominican Republic), file transfer services, and SSL certificates, among others, are not subject to VAT in the Dominican Republic provided that the supply is not bundled and sold together with tangible property. On September 15, 2021, the DGII clarified that online sales of e-books are exempt from VAT if the content of the e-book is of a scientific, artistic, or cultural nature.	104
	●	Announced	October 18, 2022	The Dominican Republic recently launched a consultation on proposals to require foreign suppliers to register for, collect, and remit VAT on digital services rendered to consumers in the Dominican Republic. On September 29, 2022, the Dominican Republic Ministry of Finance announced the submission of the Draft Law for General State Budget 2023 to the National Congress, which, among other things, includes a proposal to apply VAT on the provision of digital services in the Dominican Republic by non-resident providers.	105

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite
Ecuador	✓	Enacted	<p>November 16, 2020</p> <p>Effective September 16, 2020, Ecuador levies VAT on digital services provided by non-residents to consumers in Ecuador. Ecuadorian credit or debit card providers are adding and withholding the VAT amount when the user pays for the digital services. Alternatively, non-resident digital services providers can opt to register for, collect, and remit VAT.</p> <p>On August 22, 2020, Ecuador published Resolution No. NAC-DGERCGC20-0000053, which establishes rules for the withholding, declaration, and payment of VAT on the import of digital services provided by non-residents to residents or permanent establishments of non-residents in Ecuador.</p> <p>On September 4, 2020, Ecuador published Resolution No. NAC-DGERCGC20-0000055, which establishes rules for registration, declaration, and payment of VAT by non-resident providers of digital services.</p> <p>On September 29, 2020, Ecuador published Resolution No. NAC-DGERCGC20-0000061, which establishes new rules for withholding at source for VAT purposes. The new resolution replaces Resolution No. NAC-DGERCGC15-0000284 of 2015, including new provisions in relation to withholding of VAT on the import of digital services.</p>	106
	✓	Enacted	<p>June 8, 2021</p> <p>On May 28, 2021, the tax authority of Ecuador published Resolution NAC-DGERCGC21-0000026 clarifying the income tax and VAT implications for payments made to, and received from, payment aggregators, and online marketplaces. The Resolution defines a "payment aggregator" as any entity that provides as a service the processing of physical or online payments made to affiliated businesses while it defines "online marketplace" as any entity registered to host buyers and affiliated businesses through technological platforms (intermediary services).</p>	107
	✓	Enacted	<p>August 4, 2022</p> <p>On July 21, 2022, the tax authority of Ecuador published Resolution NAC-DGERCGC22-0000035 amending the requirements to qualify as a payment aggregator or online marketplace, which are not subject to withholding income tax and VAT on payments received from the financial sector. According to the Resolution, payment aggregators must present an application to the tax authority through its online portal, obtain authorization from the Central Bank, and qualify as a special taxpayer or withholding agents by the SRI. In addition, online marketplaces must be a company incorporated in Ecuador, have in the company's articles of incorporation the activities engaged in as an online market; register in the Single Registry of Taxpayers; apply to the tax authority; qualify as special taxpayers or withholding agents, and not partake in any simplified tax regime or tax regimes under single income tax.</p>	108
	●	Proposed	<p>November 29, 2022</p> <p>On November 23, 2022, the parliament of Ecuador accepted a for consideration a bill, which, if approved, would exempt from VAT digital services endorsed by the tax authority that are utilized for the development, pre-production, production, post-production and distribution of national audio-visual content.</p>	109

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
	✓	Enacted	January 20, 2023	On December 29, 2023, Ecuador published Resolution NAC-DGERCGC22-00000059 amending Resolution NAC-DGERCGC21-00000026 effective January 1, 2023. According to the amendments, financial entities and credit card issuers that are non-withholding tax agents are required to issue withholding tax receipts on the payments made to payment aggregators and online markets showing that no withholding tax has applied in the payment. In addition, online marketplaces are no longer prohibited from being included in any simplified tax regime or tax regimes under single income tax to qualify under the withholding tax regime.	110
	✓	Enacted	October 15, 2023	In October 2023, Ecuador published an updated list of foreign providers of digital services that are subject to withholding by financial institutions.	111
Egypt	●	Announced	September 25, 2021	On September 25, 2021, the Egyptian tax authority announced that individuals engaged in content creation activity such as bloggers and youtubers must register for VAT when their revenues from these activities reaches EGP 500,000 in a twelve-month period	112
	✓	Enacted	January 27, 2022	On January 27, 2022, Egypt amended its VAT law, which, among other things, includes the introduction of a new simplified reporting requirements for nonresident digital services providers and sellers of goods.	113
	✓	Enacted	March 28, 2023	On January 12, 2022, Egypt published executive regulations and on March 22, 2023, guidelines clarifying the VAT obligations for nonresidents. Effective June 22, 2023, Egypt requires non-residents (including online platforms) providing remote services, including digital services, to consumers (B2C) in Egypt to register for and collect GST if their sales exceed EGP 500,000 in a 12-month period. However, the registration threshold is not applicable for services subject to a reduced VAT rate (e.g., professional and consultancy services).	114
Estonia	✓	Enacted	January 1, 2019	Effective May 1, 2004, Estonia requires non-EU vendors (including online platforms) of digital services to consumers (B2C) in Estonia to register for and collect VAT, regardless of the sales amount. The obligation was expanded to EU-established digital services providers effective January 1, 2015. Effective January 1, 2019, Estonia applies a VAT registration threshold of EUR 10,000 for EU-established digital services providers. The threshold does not apply to non-EU businesses.	115
	✓	Enacted	July 1, 2021	Effective July 1, 2021, Estonia requires non-resident vendors (including online platforms) selling low value consignments of goods valued below EUR 150, which are directly shipped from outside the EU to Estonian consumers (B2C), to register for and collect VAT, regardless of the sales amount.	116
European Union	✓	Enacted	May 7, 2002	Effective July 1, 2003, the EU changed the sourcing rules for charging VAT on the sale of digital services provided by non-EU businesses to final EU consumers. These services are taxed in the country where the customer resides rather than where the vendor is located. Consequently, non-EU vendors are required to register for, collect, and remit VAT in the EU.	117

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
	✓	Enacted	July 13, 2010	Effective January 1, 2015, the 2003 rules for non-EU vendors are expanded to EU-vendors and to telecommunications and broadcasting services. Therefore, non-resident vendors of digital services to consumers in EU Member States are required to register for and collect VAT. The new rules introduce a simplified EU-wide compliance mechanism: the Mini-One-Stop-Shop.	118
	✓	Enacted	December 5, 2017	Effective January 1, 2019, the EU implemented the following amendments to the EU VAT digital services rules: a) Simplify administrative requirements for EU businesses with revenues below EUR 100,000 to allow them to determine the customer location based on one geolocation evidence instead of two. This simplification does not apply to non-EU businesses. b) Introduce a EUR 10,000 EU-wide threshold for EU companies to be subject to destination sourcing rules for digital services. This simplification does not apply to non-EU businesses. c) Allow non-EU business selling B2C e-services with a VAT registration in the EU to use the Non-Union Mini One Stop Shop (MOSS) mechanism (currently such businesses are required to register for VAT purposes in each EU Member State where their consumers are established). d) Clarify that the invoicing rules of Member State of identification under MOSS apply (rather than the invoicing rules where the consumer is located).	119

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite
	✓	Enacted	<p>October 1, 2020</p> <p>Effective July 1, 2021, the EU introduced the following amendments to its VAT rules aimed at e-commerce businesses:</p> <ul style="list-style-type: none"> Extend the scope of the One Stop Shop (OSS) EU-wide compliance mechanism to all B2C services (e.g., events). For intra-EU B2C sales of goods, modify the sourcing country from the ship from to the ship to country if the total sales exceed EUR 10,000 EU-wide in a 12-month period. In addition, for intra-EU B2C sales of goods facilitated by marketplaces for non-EU businesses, the marketplace is liable to register for and collect VAT. The same marketplace liability does not apply to sales facilitated for EU businesses. Taxpayers can leverage an OSS EU-wide mechanism to comply with these rules. For consignments of goods below EUR 150 sold from outside the EU to consumers in the EU, the EU repealed the low value consignment relief mechanism and requires vendors and marketplaces facilitating these sales to register for and collect VAT. Taxpayers can leverage a new OSS EU-wide mechanism to comply with these rules (the IOSS). <p>On February 13, 2020, the EU published in the official journal Commission Implementing Regulation (EU) 2020/194, which identifies the information required for purposes of registering under the non-EU OSS, the EU OSS, and the IOSS (both for the situation where the supplier and where the intermediary is liable for the compliance obligations) for purposes of the EU e-commerce package, which will be effective January 1, 2021.</p> <p>On October 1, 2020, the European Commission published detailed guidance on the new VAT e-commerce rules that are effective July 1, 2021. The guidance discusses the following: (1) conditions under which an online marketplace operator become liable for reporting and paying VAT; (2) additional recordkeeping obligations for online marketplace operators; (3) the changes to the EU B2C distance sale of goods rules; (4) the changes to the B2C importation of low-value goods; and (5) the changes to the compliance obligations, such as invoicing or appointing a tax representative.</p>	120
	✓	Enacted	January 17, 2020	<p>On January 15, 2020, the European Union published in the official journal Commission Implementing Regulation (EU) 2020/21, which expands the information provided on the European Commission's portal, including information for distance sales of goods and B2C supplies of services.</p>

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
			On February 7, 2020, the Council of the European Union adopted a Directive implementing rules for the exchange of VAT payment data to aid the detection of VAT fraud in the digital economy, which introduces payment service provider (PSP) record keeping requirements for cross-border e-commerce transactions effective January 1, 2024.		
	✓	Enacted	April 6, 2022	On April 6, 2022, the European Union published an implementing regulation, which provides guidance for payment service providers for reporting payment data in a harmonized format; sets out the main function of the EU central database, the Central Electronic System of Payment (CESOP); and lists the responsibilities of the European Commission and EU Member States regarding the management of the system, access to the data, and security and personal data protection.	122
				On September 12, 2022, the European Union published Commission Implementing Regulation (EU) 2022/1504 establishing the detailed rules for the implementation of the CESOP to centralise the data gathered by PSPs.	
	●	Announced	November 30, 2021	The European Commission recently published a report from the EU VAT Expert Group discussing the VAT treatment applicable to the platform economy. The report focuses on the nature and the sourcing of transactions, carried out by platforms. The role of the platforms in the VAT collection mechanism is also discussed (an educational role, the joint liability, the withholding of tax, and the deemed supplier role) as well as the reporting obligations of the platforms and the deemed supplier model. The report further proposes issues to consider in the future when refining the platform economy, inter alia: the conditions to obtain a VAT number harmonized across the EU, the nature of the service fee charged by the platforms, record keeping/data sharing and the joint or several liability or withholding role of the platforms.	123
	✓	Enacted	April 18, 2022	On April 6, 2022, the EU published Council Directive (EU) 2022/542, which among other things, amends the sourcing rules for live streaming and similar services from the place where the service is performed to the place where the consumer is located effective January 1, 2025.	124
●	Announced	April 26, 2022	The EU Commission published working papers from the EU VAT Committee meeting on March 28, 2022, which discuss, among other things, the VAT treatment of crypto-assets and e-wallets.	125	
●	Announced	June 16, 2022	Following its meeting on June 10, 2022, the EU's VAT Expert Group (VEG), released a working paper on the VAT treatment of the platform economy, which discusses the following: (1) the deemed vendor regime and the special mechanism for small enterprises that will come into application in January 2025; (2) the consequences of the platform becoming the deemed vendor in order to identify the customer (the person receiving the underlying service) to know whether the customer is a taxpayer or not; (3) whether a gross receipts threshold (usually related to small enterprises) should apply to platforms themselves and whether their sales count towards the threshold of the vendor, the platform, or both; (4) the special mechanism for travel agents and how it relates to the deemed vendor model; (5) the VAT exemption for short-term accommodation rental; and (6) the relationship between the deemed vendor model and the record keeping obligations.	126	

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
			<p>On December 8, 2022, the European Commission proposed a series of measures to modernize and digitalize the EU's VAT system. The proposed measures are intended to make the EU's VAT system work better for businesses and more resilient to fraud by embracing and promoting digitalization. The proposed measures include (1) a move to real-time digital reporting based on e-invoicing for businesses that operate cross-border in the EU; (2) requiring online platforms facilitating the sale of passenger transport and short-term accommodation platforms to collect and remit VAT on the underlying transaction if the vendor is not registered for VAT; and (3) extend the single EU VAT registration mechanism to more transactions.</p>		
	●	Proposed	<p>March 27, 2023</p> <p>On March 21, 2023, the VEG published the presentations of its 33rd meeting held on March 14, 2023, which discuss the three proposals above.</p> <p>On April 26 and 27, 2023, the European Economic and Social Committee opined on the proposals related to VAT in the Digital Age Initiative including that (1) the proposals do not harmonize the VAT treatment of goods and services; (2) the proposed timeline for reporting intra-EU sales within 2 days seems unreasonably short and may create barriers to intra-EU trade, especially for SMEs; (3) summary invoices should not be abolished as this would create problems in different sectors; deductions should be included in the One Stop Shop (OSS); and (4) the new proposed measures might lead to higher prices for consumers.</p>	127	
	✓	Enacted	February 28, 2023	<p>On February 28, 2023, the Court of Justice of the European Union (ECJ) published its judgment in <i>Fenix International</i>, Case C-695/20, in which it held that the implementation of the deemed buy-sell rules for intermediaries in digital services (e.g., digital platforms) through an Implementing Regulation rather than through a Directive is valid.</p>	128
	●	Announced	March 23, 2023	<p>On March 21, 2023, the European Commission (published Working Paper 1060 of the VAT Committee regarding an EC question on non-fungible tokens (NFTs). The Working Paper is the first EU-wide policy document on the potential VAT treatment of NFTs, including NFT minting, NFT trading, and NFTs earned for free.</p>	129
	●	Proposed	<p>May 24, 2023</p> <p>On May 17, 2023, the European Commission published the first draft of proposals for a reform of the EU Union Customs Code (UCC), which, among other things, would remove the EUR 150 consignment threshold currently applicable to determine the VAT liability of vendors and e-commerce platforms when selling imported goods to consumers in the EU. As a result of tis proposal, the European Commission proposes to expand the application of the import one-stop shop” (IOSS) VAT compliance regime, the deemed buy-sell VAT liability of marketplaces, and the special arrangement for carriers to take over the VAT liability to consignments exceeding the EUR 150 threshold. Finally, business registered under the IOSS would incur a customs debt when the payment for the sale is accepted and would be able to apply a simplified tariff treatment for sales made to consumers when determining the appropriate customs value.</p>	130	

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite
	● Announced	July 6, 2023	The European Parliament recently issued four draft reports containing suggested amendments to the European Commission's proposals for the VAT in the Digital Age initiative. The Members of the European Parliament made over 300 suggestions for amendments, including preserving domestic reporting requirements for domestic transactions, extending the deadline for issuing electronic invoices for cross-border transactions, changing the threshold for uninterrupted rental of accommodation, making the European Standard for e-invoices optional, postponing the entry into force of the proposed provisions, securing confidential access to data from the "central VIES," and establishing close cooperation between Member States' authorities, EUROFISC officials, OLAF, and EPPO.	131
	● Proposed	November 21, 2023	On November 21, 2023, the VAT Committee of the European Commission discussed in Working Paper 1070 the potential VAT implications of trading in-game items like "skins". This discussion was prompted by Denmark's questions about VAT treatment for non-fungible tokens (NFTs). The paper considers whether individuals regularly trading these items with the intent to earn income should be considered taxable persons for VAT purposes, despite challenges in meeting typical VAT requirements and the digital nature of these assets.	132
	● Announced	March 11, 2024	On February 7, 2024, the ECJ received a referral from the German Federal Tax Court regarding the VAT obligations of digital platforms before the 2015 introduction of VAT rules for digital services. Case Finanzamt Hamburg-Altona C-101/24. The case involves a German game app developer disputing the VAT treatment of in-app purchases from 2012 to 2014, questioning whether the app store can be considered an undisclosed agent, and if so, where the deemed sale to the app store is sourced.	133
	✓ Enacted	April 29, 2024	On March 4, 2024, the European Commission (EC) released VAT Committee Working Paper 1080, examining the VAT implications of "crypto art," a digital art form leveraging blockchain technology. The paper explored whether crypto art trading could be deemed a taxable digital service or potentially exempted as a financial transaction. It also considered the applicability of the special regime for artwork sales, including the margin mechanism or a reduced VAT rate, or exemption as artist-provided services. The paper concluded that crypto art does not qualify for the VAT exemption for financial services, the special regimes for artwork, or the exemption for artist-provided services, due to its intangible nature and its broader uses beyond payment.	134
Fiji	● Proposed	August 9, 2022	The Fiji Revenue and Customs Service published a draft VAT bill, which, if enacted, would replace the existing VAT Act. The draft bill would, among other things, require non-resident vendors of digital services to consumers in Fiji to register for and collect VAT.	135
Finland	✓ Enacted	January 1, 2019	Effective July 1, 2003, Finland requires non-EU vendors (including online platforms) of digital services to consumers (B2C) in Finland to register for and collect VAT, regardless of the sales amount. The obligation was expanded to EU-established digital services providers effective January 1, 2015. Effective January 1, 2019, Finland applies a VAT registration threshold of EUR 10,000 for EU-established digital services providers. The threshold does not apply to non-EU businesses.	136

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
	✓	Enacted	July 1, 2019	Effective July 1, 2019, Finland applies the reduced 10 percent VAT rate to electronic publications, including books, newspapers, and magazines.	137
	✓	Enacted	July 1, 2021	Effective July 1, 2021, Finland requires non-resident vendors (including online platforms) selling low value consignments of goods valued below EUR 150, which are directly shipped from outside the EU to French consumers (B2C), to register for and collect VAT, regardless of the sales amount.	138
France	✓	Enacted	January 1, 2019	Effective July 1, 2003, France requires non-EU vendors (including online platforms) of digital services to consumers (B2C) in France to register for and collect VAT, regardless of the sales amount. The obligation was expanded to EU-established digital services providers effective January 1, 2015. Effective January 1, 2019, France applies a VAT registration threshold of EUR 10,000 for EU-established digital services providers. The threshold does not apply to non-EU businesses.	139
	✓	Enacted	December 23, 2018	Effective January 1, 2020, France introduced a reporting requirement for online platforms (i.e., information on sales carried out through platforms to French customers). France subsequently expanded the scope of data that online platforms must communicate to the French tax authorities to include French taxable gross receipts relating to transactions engaged in the users of the online platforms. The new data requirements are applicable to transactions performed through online marketplaces effective January 1, 2020.	140
	✓	Enacted	August 5, 2019	The French tax authority recently issued a guidance clarifying the VAT treatment applicable to the public offering of digital currency.	141
	✓	Enacted	December 21, 2020	On December 11, 2020, the French high administrative court (“Conseil d’Etat”) issued its decision in <i>ValueClick International Ltd.</i> , which addresses the French concept of permanent establishment (PE) both for corporate income tax and VAT purposes. With regards to VAT, the Court of Justice for the European Union (CJEU) expressed on several occasions that it was necessary for the establishment to have enough technical and human resources to provide a service. These two elements are necessary to recognize the existence of a PE for VAT. However, the Conseil d’Etat specified in its decision that the fact of not having technical resources did not preclude the recognition of a PE, insofar as this condition was not relevant for companies in the digital sector because they basically can locate their technical means wherever they want.	142
	✓	Enacted	July 1, 2021	Effective July 1, 2021, France requires non-resident vendors (including online platforms) selling low value consignments of goods valued below EUR 150, which are directly shipped from outside the EU to French consumers (B2C), to register for and collect VAT, regardless of the sales amount.	143

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
	✓	Enacted	December 29, 2023	On December 29, 2023, France published the 2024 Finance Act, which, among other things extends a pilot program for two more years that allows tax and customs administrations to detect fraud through data collection from online platforms. It also seeks to expand the data collected and the offenses targeted. The Act further empowers authorized public finance agents to conduct undercover investigations for severe offenses. Finally, the Act introduces a digital injunction to combat fraudulent practices, enabling the removal of websites belonging to non-EU companies that provide services and sell intangible goods online to French consumers without paying VAT.	144
	✓	Enacted	February 16, 2024	On February 14, 2024, the French tax authority issued a public ruling clarifying that non-fungible tokens (NFTs) are not subject to specific VAT regulations but instead should follow usual principles and rules, with VAT application varying based on whether the NFT represents digital collectible cards, digital graphic works, or is used for video game financing, and depending on the level of human intervention in the creation process and the nature of goods or services they represent.	145
French Polynesia	✓	Enacted	October 23, 2020	Effective January 1, 2010, French Polynesia requires non-resident providers of remote services to customers (B2B and B2C) in French Polynesia to register for, collect, and remit VAT, regardless of the sales amount.	146
Gabon	✓	Enacted	August 11, 2021	On August 11, 2021, Gabon published amendments to its VAT law that include measures to impose VAT on sales of goods or provision of services in Gabon through foreign platforms. The tax authorities have yet to issue implementing regulations.	147
Georgia	✓	Enacted	July 30, 2021	Effective October 1, 2021, Georgia requires non-resident vendors of digital services to consumers (B2C) in Georgia to register for and collect VAT, regardless of the sales amount.	148
Germany	✓	Enacted	January 1, 2019	Effective July 1, 2003, Germany requires non-EU vendors (including online platforms) of digital services to consumers (B2C) in Germany to register for and collect VAT, regardless of the sales amount. The obligation was expanded to EU-established digital services providers effective January 1, 2015. Effective January 1, 2019, Germany applies a VAT registration threshold of EUR 10,000 for EU-established digital services providers. The threshold does not apply to non-EU businesses.	149

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite
	✓ Enacted	September 29, 2020	<p>Effective January 1, 2019, Germany introduced a reporting requirement for online platforms (i.e., information on supplies carried out through platforms to German customers). Under certain conditions, online platforms are held jointly and severally liable for B2C sales of goods performed via their system.</p> <p>The German Ministry of Finance published Guidance Letters 2019/858190, 2019/0858465 and 2019/0858488 explaining the VAT obligations for online marketplace facilitators. The German Ministry of Finance reminds marketplace facilitators that they can be held liable under certain conditions for the unpaid VAT resulting from the delivery of items from entrepreneurs legally justified on the marketplace provided by them. Facilitators must use due diligence, including tax office records/correspondence and requesting VAT registration certificates to determine their liability obligations for each vendor registered on their marketplace. Finally, the Guidance Letters include forms for letters from the tax authorities to entrepreneurs rejecting a VAT registration certificate and to marketplace facilitators warning against VAT liability.</p> <p>On September 2, 2020, the German cabinet agreed the government draft for the German Annual Tax Act 2020, which, among other things, amends the joint and several liability rules for online platforms to reflect the implementation of the EU e-commerce VAT package.</p>	150
	✓ Enacted	June 9, 2021	On June 9, 2021, the German ministry of finance issued guidance No. III C 3 -S 7117-b/20/10002 :002 clarifying the VAT treatment applicable to events, including online events. In the guidance, the German ministry of finance confirmed that online seminars provided to businesses are sourced where the business recipient is established and not where the seminar is performed.	151
	✓ Enacted	July 1, 2021	Effective July 1, 2021, Germany requires non-resident vendors (including online platforms) selling low value consignments of goods valued below EUR 150, which are directly shipped from outside the EU to German consumers (B2C), to register for and collect VAT, regardless of the sales amount.	152
	✓ Enacted	November 18, 2021	On November 18, 2021, the German Federal Tax Court held that in-game “leasing” of virtual land in an online game is not subject to VAT.	153
	✓ Enacted	April 25, 2024	On January 31, 2024, Germany's Federal Tax Court (BFH) ruled that a VAT identification number is not the only proof of a customer's VAT taxpayer status. The case involved a foreign corporation, X, that changed its procedure for identifying VAT taxpayers in 2015. Auditors argued that X's new criteria were insufficient, a claim partially upheld by the lower tax court. However, the BFH justified an appeal, clarifying that while a VAT ID is not necessary for identifying a VAT taxpayer, sufficient identification is required. The case was returned to the lower court for further investigation.	154
	✓ Enacted	June 5, 2024	Effective July 1, 2024, the German ministry of finance considers that business-to-consumer sales of live streaming of events is taxable where the consumer is located.	155

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
Ghana	✓	Enacted	October 24, 2022	<p>Effective January 1, 2014, Ghana requires non-resident vendors of digital services to customers (B2C and B2B) in Ghana to register for and collect VAT if their sales exceed GHS 200,000 in a 12-month period.</p> <p>On April 4, 2022, the Ghana Revenue Authority (GRA) launched a portal for non-residents to comply with these requirements.</p> <p>On September 12, 2022, Ghana published the Value Added Tax (Amendment) Act 2022 (Act 1082), which clarifies that non-resident providing digital services, electronic commerce, and telecommunication services to persons for use or enjoyment in Ghana are required to register if they make taxable supplies, unless they appoint a local VAT agent. The threshold for VAT registration in the VAT Act does not apply for such non-residents.</p>	156
	✓	Enacted	January 1, 2019	<p>Effective July 1, 2003, Greece requires non-EU vendors (including online platforms) of digital services to consumers (B2C) in Greece to register for and collect VAT, regardless of the sales amount. The obligation was expanded to EU-established digital services providers effective January 1, 2015.</p> <p>Effective January 1, 2019, Greece applies a VAT registration threshold of EUR 10,000 for EU-established digital services providers. The threshold does not apply to non-EU businesses.</p>	157
	✓	Enacted	July 1, 2021	<p>Effective July 1, 2021, Greece requires non-resident vendors (including online platforms) selling low value consignments of goods valued below EUR 150, which are directly shipped from outside the EU to Greek consumers (B2C), to register for and collect VAT, regardless of the sales amount.</p>	158
Greece	✓	Enacted	July 26, 2021	<p>Effective July 1, 2021, Greece reduced the VAT rate for electronic books and publications to 6 percent, except for those disallowed under the EU's e-books directive. Particularly, the reduced VAT rate applies to digital editions of books recorded on hard disks and audio recorders; and electronic publications of visual and audio books, other than publications wholly or predominantly devoted to advertising and publications wholly or predominantly consisting of video content or audible music.</p>	159
	✓	Enacted	November 30, 2023	<p>On October 25, 2023, the Complaints Settlement Directorate of the Greek Independent Authority for Public Revenue ruled that cryptocurrency sales are subject to VAT at the standard rate of 24 percent. Furthermore, it noted that the classification of cryptocurrencies as currency, as held by the ECJ in the Hedqvist (Case C-264/14 (October 22, 2015)), has not been incorporated into Greek domestic law and therefore does not bind the tax authority.</p>	160
Guatemala	●	Announced	September 16, 2021	<p>On September 16, 2021, the Guatemalan tax authority announced that it has taken initial steps toward the implementation of a Digital Economy Compliance system (DEC) to facilitate VAT compliance for foreign providers rendering digital services in Guatemala without physical presence. However, Guatemala has not yet implemented special VAT rules aimed at non-resident digital services providers.</p>	161

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite
Honduras	● Announced	October 20, 2020	On October 20, 2020, the head of the Honduras Revenue and Administration Service (SAR) announced that the government is planning to extend the application of VAT to sales of digital services made by non-resident providers.	162
Hungary	✓ Enacted	January 1, 2019	Effective May 1, 2004, Hungary requires non-EU vendors (including online platforms) of digital services to consumers (B2C) in Hungary to register for and collect VAT, regardless of the sales amount. The obligation was expanded to EU-established digital services providers effective January 1, 2015. Effective January 1, 2019, Hungary applies a VAT registration threshold of EUR 10,000 for EU-established digital services providers. The threshold does not apply to non-EU businesses.	163
	✓ Enacted	July 1, 2021	Effective July 1, 2021, Hungary requires non-resident vendors (including online platforms) selling low value consignments of goods valued below EUR 150, which are directly shipped from outside the EU to Hungarian consumers (B2C), to register for and collect VAT, regardless of the sales amount.	164
Iceland	✓ Enacted	December 30, 2016	Effective January 1, 2011, Iceland requires non-resident vendors of digital services to consumers (B2C) in Iceland to register for and collect VAT if their sales exceed ISK 1 million in a 12-month period. Effective January 1, 2017, Iceland increased the VAT registration threshold from ISK 1 million to ISK 2 million.	165
India	✓ Enacted	November 21, 2016	Effective December 1, 2016, India requires non-resident vendors of digital services (including online platforms) to consumers (B2C) in India to register for and collect service tax, regardless of the sales amount. These rules were continued under the new GST regime effective July 1, 2017.	166
	✓ Enacted	October 1, 2018	Effective October 1, 2018, India requires e-commerce operators to withhold GST from the consideration received by it on behalf of the supplier of goods, or services who makes supplies through the operator's online platform. The mechanism is known as tax collected at source (TCS). The TCS rules only apply to domestic sales (e.g., Indian vendors using a platform to make sales to Indian consumers).	167
	✓ Enacted	July 2, 2021	Effective January 1, 2022, digital platforms facilitating sales of passenger transportation services and restaurants are required to charge and collect GST on the sale of the underlying services.	168
	✓ Enacted	July 31, 2023	On March 29, 2023, India's parliament adopted finance bill 2023-24, which, among other things, expands the scope of the current GST rules applicable to non-resident digital services to all non-residents selling remote services to consumers (B2C) in India. In addition, the finance bill imposes penalties on online marketplaces subject to the TCS rules that allow non-GST registered vendors to sell goods or services through their platforms. On July 31, 2023, the Indian government published Notification No. 28/2023- Central Tax, which implements the above changes to the non-resident digital services rules in the Finance Act 2023, effective 2023.	169

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite
	✓ Enacted	August 12, 2023	On August 4, 2023, India published Notification No. 34/2023, which requires non-resident digital services providers to provide the details of sales made to registered persons (B2B supplies) in India in their monthly GST returns effective October 1, 2023. In addition, India removed the requirement to include the full name and address of the recipient of services on the tax invoice for B2C sales.	170
	✓ Enacted	August 22, 2023	On August 19, 2023, India published the Central Goods and Services Tax (Amendment) Act, 2023 and the Integrated Goods and Services Tax (Amendment) Act, 2023, which among other things, clarifies the GST treatment applicable to online gaming. The acts clarify that "online money gaming" platforms located outside India are subject to GST and are required to register for GST under the simplified registration mechanism for Online Information Database Access and Retrieval (OIDAR) services provider. While the effective date is subject to a government notification, these amendments are proposed to become effective from October 1, 2023.	171

Taxation of the digitalized economy – indirect taxes

<p>Indonesia</p>	<p>✓</p>	<p>Enacted</p>	<p>February 23, 2022</p>	<p>Effective July 1, 2020, Indonesia’s Directorate General of Taxation (DGT) started appointing non-resident providers of digital services to customers (B2C and B2B) in Indonesia as VAT collection agent if they meet certain transaction value criteria or the amount of traffic within 12 months as defined in regulations.</p> <p>On June 25, 2020, the DGT issued Regulation No. PER-12/PJ/2020, which further regulates the new measures for the taxation of electronic transactions (referred to as "PMSE") effective July 1, 2020. The Regulation establishes the following thresholds to be appointed as a VAT collector: (1) the amount of PMSE transactions with Indonesian consumers exceeds IDR 600 million in one year or IDR 50 million in one month; and/or the amount of traffic or access in Indonesia exceeds 12,000 in one year or 1,000 in one month. PMSE businesses that meet the transaction value criteria or the amount of traffic/access criteria will be appointed by the DGT as a VAT collector. Businesses that have met the criteria but have not been designated as VAT collectors should submit notifications online to the DGT.</p> <p>On September 8, 2020, Indonesia's DGT published Notice No. SP-41/2020, which lists a new batch of global companies that meet the criteria for collecting VAT on digital goods and services sold to consumers in Indonesia.</p> <p>On October 9, 2020, Indonesia's DGT published Notice No. SP-43/2020, which lists a new batch of global companies that meet the criteria for collecting VAT on digital goods and services sold to consumers in Indonesia.</p> <p>On November 17, 2020, the DGT published Notice No. SP-47/2020, which lists a new batch of global companies that meet the criteria for collecting VAT on digital goods and services sold to consumers in Indonesia.</p> <p>On December 28, 2020, the DGT published Notice No. SP-51/2020, which lists a new batch of global companies that meet the criteria for collecting VAT on digital goods and services sold to consumers in Indonesia</p> <p>On January 29, 2021, the DGT published Notice No. SP-3/2021, which lists a new batch of global companies that meet the criteria for collecting VAT on digital goods and services sold to consumers in Indonesia</p> <p>On March 30, 2021, the DGT published Notice No. SP-10/2021, which lists a new batch of global companies that meet the criteria for collecting VAT on digital goods and services sold to consumers in Indonesia.</p> <p>On May 4, 2021, the DGT published Notice No. SP-15/2021, which lists a new batch of global companies that meet the criteria for collecting VAT on digital goods and services sold to consumers in Indonesia.</p> <p>On June 3, 2021, the DGT published Notice No. SP-17/2021, which lists a new batch of global companies that meet the criteria for collecting VAT on digital goods and services sold to consumers in Indonesia</p> <p>On August 4, 2021, the DGT published Notice No. SP-23/2021, which lists a new batch of global companies that meet the criteria for collecting VAT in digital goods and services sold to consumers in Indonesia.</p>	<p>172</p>
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Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite
			<p>On September 6, 2021, the DGT published Notice SP-30/2021, which lists a new batch of global companies that meet the criteria for collecting VAT on digital goods and services sold to consumers in Indonesia.</p> <p>On January 7, 2022, the DGT published Notice No SP -2/2022, which lists a new batch of global companies that meet the criteria for collecting VAT on digital goods and services sold to consumers in Indonesia.</p> <p>On February 23, 2022, the DGT published Notice No SP -12/2022, which lists a new batch of global companies that meet the criteria for collecting VAT on digital goods and services sold to consumers in Indonesia</p>	
	● <i>Announced</i>	March 30, 2022	<p>On March 30, 2022, Indonesia's Ministry of Finance published Regulation Number 68/PMK.03/2022 on the taxation of crypto transactions effective May 1, 2022. According to the regulation, e-commerce providers that facilitate crypto asset trading transactions (e-commerce trading operators), including crypto asset physical traders and crypto asset electronic wallet service providers, will be designated as VAT collectors on the taxable delivery of crypto assets from the seller to the buyer. The regulation further sets special VAT computation methods depending on the type of seller: 1 percent of the VAT rate multiplied by the transaction value of the crypto assets, where the e-commerce trading operator is a crypto asset physical trader; 2 percent of the VAT rate multiplied by the transaction value of the crypto assets, where the e-commerce trading operator is not a crypto asset physical trader; and for crypto asset mining services, 10 percent of the VAT rate multiplied by the monetary value of the crypto assets received by crypto assets miners.</p>	173
Internal Monetary Fund	✓ <i>Enacted</i>		<p>The International Monetary Fund (IMF) released a new technical note and manual on administering VAT on imported digital services and low value imported goods. The report addresses the main challenges in administering the VAT on imported digital services and the measures that countries have introduced to address the challenges; the main challenges in administering the VAT on low-value imported goods and the measures that countries have introduced to address the challenges; and the key tasks in implementing the measures for improving the administration of VAT on imported digital services and low-value imported goods.</p>	174
Ireland	✓ <i>Enacted</i>	January 1, 2019	<p>Effective July 1, 2003, Ireland requires non-EU vendors (including online platforms) of digital services to consumers (B2C) in Ireland to register for and collect VAT, regardless of the sales amount. The obligation was expanded to EU-established digital services providers effective January 1, 2015.</p> <p>Effective January 1, 2019, Ireland applies a VAT registration threshold of EUR 10,000 for EU-established digital services providers. The threshold does not apply to non-EU businesses.</p>	175
	✓ <i>Enacted</i>	July 1, 2021	<p>Effective July 1, 2021, Ireland requires non-resident vendors (including online platforms) selling low value consignments of goods valued below EUR 150, which are directly shipped from outside the EU to Irish consumers (B2C), to register for and collect VAT, regardless of the sales amount.</p>	176

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
	✓	Enacted	April 27, 2022	On April 27, 2022, the Irish Revenue Commissioners updated its guidance on the taxation of crypto asset transactions, which includes the VAT treatment of financial services involved in the exchange of digital currency and supply of goods or services in exchange of digital currency.	177
	✓	Enacted	May 21, 2022	On May 21, 2022, the Irish Revenue updated its guidance on the VAT treatment of eGaming services. According to the guidance, the provision of games including games of chance (eGaming) delivered over the Internet or an electronic network are considered digital services taxable subject to VAT at the standard rate.	178
	●	Proposed	October 20, 2022	On September 27, 2022, the Irish Department of Finance presented the Budget for 2023, which, if approved, would, among other things, reduce the VAT rate applicable to digital newspapers from 9 percent to zero percent.	179
Israel	✓	Enacted	March 18, 2022	Israel's federal tax authority has announced that the same principles applying to the taxation of cryptocurrency transactions also apply to transfers of non-fungible tokens (NFTs). Therefore, the sale of an NFT like the sale of cryptocurrencies, will give rise to a taxable event for VAT purposes.	180
	●	Proposed	March 23, 2023	On February 15, 2023, Israel published a proposal, which, if approved, would require non-resident vendors of digital services and low-value goods to consumers in Israel (B2C) to register for, collect, and remit VAT.	181
Italy	✓	Enacted	January 1, 2019	Effective July 1, 2003, Italy requires non-EU vendors (including online platforms) of digital services to consumers (B2C) in Italy to register for and collect VAT, regardless of the sales amount. The obligation was expanded to EU-established digital services providers effective January 1, 2015. Effective January 1, 2019, Italy applies a VAT registration threshold of EUR 10,000 for EU-established digital services providers. The threshold does not apply to non-EU businesses.	182
	✓	Enacted	July 1, 2021	Effective July 1, 2021, Italy requires non-resident vendors (including online platforms) selling low value consignments of goods valued below EUR 150, which are directly shipped from outside the EU to Italian consumers (B2C), to register for and collect VAT, regardless of the sales amount.	183
	✓	Enacted	January 14, 2022	The Italian tax authorities confirmed that the super-reduced value added tax (VAT) rate of 4 percent applies to subscriptions to online databases, provided that the economic reason for the subscription is the granting of access to editorial products qualifying as newspapers, daily news, releases of press agencies, books and publications with periodical issues and identified by ISBN (International Standard Book Number) or ISSN (International Standard Serial Number).	184
	✓	Enacted	October 3, 2022	The Italian tax authorities published Ruling Answer No. 353/2022, in which it clarified that admissions to an event to which participants can join either in person or online are sourced to the country where the event takes place.	185

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
	✓	Enacted	January 9, 2023	The Italian tax authorities recently issued Ruling Answer No. 582/2022 clarifying the VAT treatment of various activities connected to the management and functioning of an online game platform dedicated to e-sports. According to the tax authorities, the provision of services to exchange euros for betacoins, which does not qualify as crypto asset, falls outside the scope of VAT, because the parties to the transaction do not agree on a remuneration for such activity. Conversely, a fee paid to a managing entity for matchmaking service is subject to VAT. The tax authorities further clarified that the provision of betacoins necessary for signing up in a tournament on the online game platform cannot qualify as a supply of vouchers.	186
	✓	Enacted	January 12, 2023	The Italian tax authorities recently issued Ruling Answer No. 507/2022 clarifying that the issuance of utility tokens during an initial coin offer (ICO) to collect financial resources falls outside the scope of VAT. The tax authorities further highlighted that these topics are currently under discussion both at the domestic and international level and the conclusions reached might change subject to future developments.	187
	✓	Enacted	January 25, 2023	On December 29, 2022, Italy published the 2023 Budget law, which, among other things, requires electronic interfaces such as marketplaces, platforms, and portals that facilitate remote sales to consumers (B2C) in Italy of certain goods such as mobile phones, game consoles, tablets, and laptops to send to the Italian tax authorities details of the vendors making such sales. The new reporting requirement is effective January 1, 2023.	188
	●	Announced	January 25, 2023	According to news reports, the Italian authorities are investigating a social media platform for failure to pay VAT on the imputed value of the “free” data which users agree to provide at the time they subscribe to the platform even though the EU’s VAT Committee, in a 2018 working paper, confirmed there is, generally speaking, no direct link between the user signing up to the platform and their agreement to provide data (and thus no VAT should apply).	189
Ivory Coast	✓	Enacted	December 28, 2021	Effective January 4, 2022, the Ivory Coast introduced amendments to its VAT law, including clarifying the sourcing rules for VAT on online sells of goods and services to customer (B2C and B2B) in the Ivory Coast, implementing new simplified compliance procedure, and introducing new sanctions for operators of digital platforms not established in the Ivory Coast, including the suspension of access to their platform, in the event of non-compliance with the obligation to register for tax or to pay VAT on their taxable transactions in the Ivory Coast. However, the tax authorities have not yet issued implementing regulations setting up the compliance mechanism.	190
	✓	Enacted	October 9, 2023	On October 9, 2023, the tax authorities of Côte d’Ivoire published an explanatory note which clarifies that non-resident vendors (including online platforms) of digital services to customers (B2C and B2B) in Côte d’Ivoire are required to register for and collect VAT, regardless of the sales amount. Taxpayers have six months from the publication of the note to register.	191

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
Japan	✓	Enacted	July 7, 2015	<p>Effective October 1, 2015, Japan requires non-resident vendors of digital services to register for and collect Japanese consumption tax (JCT) on sales of digital services to Japanese consumers (B2C), if the non-resident qualifies as a taxable person for JCT purposes. The distinction between B2B and B2C sales is made based on the type of digital service provided and not the customer type.</p> <p>The JCT taxable person status is determined based on the following criteria:</p> <p>(1) Businesses which had a taxable sales amounting to more than 10million yen during the Base Period (i.e., the second preceding business year before the taxable period),</p> <p>(2) Businesses which do not fall under category (1) above but have submitted the “Report on the Selection of Taxable Proprietor Status for Consumption Tax,” or</p> <p>(3) Businesses which do not fall under category (1) and (2) above and whose taxable sales for Specified Period exceeds 10 million yen (the specified period is in principle the first six-month of the preceding year before the tax period. “10 million yen” for a specified period can be judged by using the total amount of salary and related payments instead of using the amount of taxable sales.</p>	192
	✓	Enacted		<p>On March 28, 2024, the Japanese parliament passed the 2024 tax reform bills, mandating non-resident "specified platform operators" to collect and remit Japanese consumption tax (JCT) on sales of digital services to final consumers they facilitate for non-residents, effective from April 1, 2025. A non-resident becomes a "specified platform operator" if the total amount for such services provided via the platform exceeds JPY 5 billion during the taxable period, usually a fiscal year. These operators must notify the National Tax Agency (NTA) by the due date of a final consumption tax return for the taxable period, and the designation becomes effective six months after this due date.</p>	193
Jersey	✓	Enacted	January 6, 2023	<p>Effective July 1, 2023, Jersey requires online marketplaces and large offshore retailers to register for and collect GST where the annual aggregated customs value of their supplies to Jersey residents exceeds GBP 300,000. This means that GST is charged at the point of sale, and remitted directly to the Treasury, where goods exceed the prevailing GST de minimis level (the import GST de minimis level is reduced from GBP 135 to GBP 60).</p>	194
Kazakhstan	✓	Enacted	February 22, 2021	<p>Effective January 1, 2022, Kazakhstan requires non-resident vendors of digital services to consumers (B2C) in Kazakhstan to register for and collect VAT, regardless of the sales amount.</p>	195
	✓	Enacted	September 3, 2021	<p>Effective January 1, 2022, Kazakhstan requires non-resident vendors of low value consignments (i.e., those below EUR 200) to consumers in Kazakhstan to register for and collect VAT. Special rules apply for goods shipped from the Eurasian Economic Union (i.e., Armenia, Belarus, the Kyrgyz Republic. and Russia).</p>	196

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
Kenya			<p>Effective April 1, 2021, Kenya requires non-resident vendors of digital services to consumers (B2C) in Kenya to register for and collect VAT if their sales exceed KSH 5 million in a 12-month period. Non-resident digital services providers are also subject to the 1.5 percent digital services tax.</p> <p>On September 10, 2020, Kenya published the final version of the Value Added Tax (Digital Marketplace Supply) Regulations, 2020. The regulations cover the scope of taxable supplies, registration requirements, simplified registration for non-residents, rules on place and time of supplies, etc. The regulations include a transitional period of 6 months following their publication, after which they will be applied. Vendors making taxable sales are required to register or appoint a tax representative before the transitional period ends.</p>		
	✓	Enacted	July 15, 2022	<p>On June 29, 2021, Kenya published the Finance Act 2021, which, among other things, expands the definition of digital services to include sales made over the internet or an electronic network in addition to those made through a digital marketplace. Further, it expands the definition of a digital marketplace to mean an online platform that enables users to sell or provide services, goods, or other property to other users.</p>	197
	✓	Enacted	March 21, 2023	<p>On June 23, 2022, Kenya enacted the Finance Bill 2022, which among other things, amends the VAT rules applicable to non-resident digital services providers effective July 1, 2022. The Finance Bill 2022 clarifies that the VAT registration threshold of KES 5 million no longer applies to non-resident digital services providers. The Finance Bill 2022 further clarifies that domestic businesses are exempt from applying the reverse charge mechanism on the importation of digital supplies. Consequently, non-resident digital services providers are not only required to register for and collect VAT on B2C supplies of digital services, but also on B2B supplies.</p>	
	✓	Enacted	March 21, 2023	<p>On March 21, 2023, the Kenya Revenue Authority published the Value Added Tax (Electronic, Internet and Digital Marketplace Supply) Regulations, 2023, which, amends the current VAT rules applicable to non-resident digital services providers. Among other changes, the regulation clarify that the following services are in scope of the non-resident VAT digital services rules: (1) services that link the supplier to the recipient including transport-hailing services or platforms; (2) the sale of, licensing of, or any other form of monetizing data generated from the users' activities; and (3) facilitation of online payments or exchange of digital assets excluding services exempt in the VAT Act. The regulation would further clarify that non-resident digital services providers are exempted from the requirement to issue an e-invoice and clarify the geolocation rules to determine the location of the customer.</p>	198
Kosovo	✓	Enacted	February 16, 2022	<p>Effective September 1, 2015, Kosovo requires non-resident vendors (including online platforms) of digital services to consumers (B2C) in Kosovo to register for and collect VAT, regardless of the sales amount.</p>	199
				<p>On February 14, 2022, the tax authorities of Kosovo reminded non-resident digital services providers that they are required to register for VAT and charge VAT on sales to consumers in Kosovo.</p>	

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
Kyrgyzstan	✓	Enacted	June 23, 2022	Effective January 1, 2022, Kyrgyzstan requires non-resident vendors of digital services to customers (B2C and B2B) in Kyrgyzstan to register for and collect VAT, regardless of the sales amount.	200
				On June 10, 2022, the Kyrgyzstan State Tax Service announced the launch of an online service (vat.salyk.kg) for the VAT registration of non-resident digital services providers.	
Laos	✓	Enacted	March 29, 2024	Effective August 1, 2024, Laos requires non-resident vendors of digital services (including online platforms) to consumers (B2C) in Laos to register for and collect VAT, regardless of the sales amount.	201
Latvia	✓	Enacted	January 1, 2019	Effective May 1, 2004, Latvia requires non-EU vendors (including online platforms) of digital services to consumers (B2C) in Latvia to register for and collect VAT, regardless of the sales amount. The obligation was expanded to EU-established digital services providers effective January 1, 2015.	202
	✓	Enacted	July 1, 2021	Effective January 1, 2019, Latvia applies a VAT registration threshold of EUR 10,000 for EU-established digital services providers. The threshold does not apply to non-EU businesses.	203
Liechtenstein				Effective July 1, 2021, Latvia requires non-resident vendors (including online platforms) selling low value consignments of goods valued below EUR 150, which are directly shipped from outside the EU to Latvian consumers (B2C), to register for and collect VAT, regardless of the sales amount.	
	✓	Enacted	January 1, 2019	Effective January 1, 2010, Liechtenstein requires non-resident vendors of digital services to consumers (B2C) in Switzerland to register for and collect VAT if their sales exceed CHF 100,000 in a 12-month period.	204
				Effective January 1, 2018, Liechtenstein amended the computation method of the VAT registration threshold for non-resident digital services providers so that the CHF 100,000 threshold applies on a worldwide income.	
Lithuania				Effective January 1, 2019, Liechtenstein expanded the new threshold computation to non-resident suppliers of low-value consignments (i.e., goods where the amount of import VAT does not exceed CHF 5), thus requiring such businesses also to register for and collect VAT.	
	✓	Enacted	January 1, 2019	Effective May 1, 2004, Lithuania requires non-EU vendors (including online platforms) of digital services to consumers (B2C) in Lithuania to register for and collect VAT, regardless of the sales amount. The obligation was expanded to EU-established digital services providers effective January 1, 2015.	205
	✓	Enacted	July 1, 2021	Effective January 1, 2019, Lithuania applies a VAT registration threshold of EUR 10,000 for EU-established digital services providers. The threshold does not apply to non-EU businesses.	206
				Effective July 1, 2021, Lithuania requires non-resident vendors (including online platforms) selling low value consignments of goods valued below EUR 150, which are directly shipped from outside the EU to Lithuanian consumers (B2C), to register for and collect VAT, regardless of the sales amount.	

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
Luxembourg	✓	Enacted	January 1, 2019	<p>Effective July 1, 2003, Luxembourg requires non-EU vendors (including online platforms) of digital services to consumers (B2C) in Luxembourg to register for and collect VAT, regardless of the sales amount. The obligation was expanded to EU-established digital services providers effective January 1, 2015.</p> <p>Effective January 1, 2019, Luxembourg applies a VAT registration threshold of EUR 10,000 for EU-established digital services providers. The threshold does not apply to non-EU businesses.</p>	207
	✓	Enacted	July 1, 2021	<p>Effective July 1, 2021, Luxembourg requires non-resident vendors (including online platforms) selling low value consignments of goods valued below EUR 150, which are directly shipped from outside the EU to Luxembourg consumers (B2C), to register for and collect VAT, regardless of the sales amount.</p>	208
Malaysia	✓	Enacted	June 6, 2023	<p>Effective January 1, 2020, Malaysia requires non-resident vendors (including online platforms) of digital services to customers (B2C and B2B) in Malaysia to register for and collect service tax if their sales exceed MYR 500,000 in a 12-month period. Businesses that have been charged service tax on digital services provided by a foreign registered person (FRP) are exempted from accruing service tax in Malaysia on these imported taxable services.</p> <p>On August 30, 2019, the Royal Malaysian Customs Department (RMCD) published the Service Tax (Digital Services) Regulations 2019, which set out the rules pertaining to the registration, compliance, and penalties for the new service tax obligations on digital services.</p> <p>On August 1, 2020, the RMCD published a new service tax industry guide, Guide on Digital Services by Foreign Service Provider, which updates and replaces the guide published in August 2019.</p> <p>On February 1, 2021, the RMCD updated its Guide on Digital Services by Foreign Service Provider to include new examples of the provision of digital services; new guidance regarding the exemption for digital services provided within the same group; and new guidance on when tax is due; and new guidance on the possibility to request a remission from penalties.</p> <p>Effective January 1, 2022, Malaysia introduced a Special Voluntary Disclosure Program for indirect taxes running through September 30, 2022. The program applies to outstanding indirect tax liabilities, including for non-resident digital services providers, existing on or before October 31, 2021.</p> <p>On June 6, 2023, the Royal Malaysian Customs Department (RMCD) launched a new Voluntary Disclosure Program for indirect taxes, including non-resident digital services providers, that will run until May 31, 2024. Participants in the program will receive a 100% penalty remission and no audits will be conducted by RMCD on participants for the period disclosed.</p>	209

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite
	✓	Enacted	<p>August 1, 2022</p> <p>On August 9, 2021, the RMCD issued a policy document on the service tax exemption for digital services provided in relation to banking or financial services. It clarifies that the service tax exemption applies to digital service providers that charge fees to the service recipient (bank account holder) to initiate transfer or withdrawal of funds. The fees charged refer to fee charges for withdrawal or transfer of funds only and the fees are charged directly to the account holder.</p> <p>On August 1, 2022, the RMCD published the Service Tax Policy 1/2022 relating to the service tax exemption on the provision of digital payment services by local non-bank providers. The guidance provides that the following local non-bank service providers that meet the relevant qualification requirements are exempt from charging service tax on digital payment services: payment instrument issuers, merchant acquirers, and payment system operators.</p>	210
	✓	Enacted	<p>October 6, 2021</p> <p>Malaysia enacted new legislation imposing a tax on digital platforms that provide tourism related services effective January 1, 2022. The RMCD subsequently announced the postponement date for the implementation of tourism tax on accommodation premises booked through digital platform service from January 1, 2022 to January 1, 2023. The effective date for registration by the digital platform service provider was also postponed from October 1, 2021 to October 1, 2022.</p> <p>On January 20, 2021, the Royal Malaysian Customs Department issued a set of “frequently asked questions” (FAQs) about the tourism tax and specifically addressing the expanded scope of the tourism tax regarding accommodations booked via an online platform. Digital platform service providers will need to modify their system to identify the citizenship status of each tourist (through an identity card number or passport number).</p>	211
	✓	Enacted	<p>November 6, 2023</p> <p>Malaysia’s parliament adopted the Sales Tax (Amendment) Bill 2022, which requires online sellers of low value goods (LVG) brought into Malaysia to register for and charge sales tax. A seller is defined as a person, whether in or outside Malaysia, who sells LVG on an online marketplace or operates an online marketplace for the sales and purchase of LVG. An LVG is defined as any prescribed good or class of goods outside Malaysia which are sold at a price not more than a prescribed amount and brought into Malaysia in the manner as prescribed. The bill will come into operation on a date to be appointed by the Minister by notification in the form of a gazette order.</p> <p>On November 3, 2023, the Malaysian tax authority published a new sales tax on low value goods guide announcing that the regime will be effective January 1, 2024. In addition, the RMCD published on November 6, 2023 a FAQ providing further guidance on the new regime.</p>	212
Malta	✓	Enacted	<p>January 1, 2019</p> <p>Effective May 1, 2004, Malta requires non-EU vendors (including online platforms) of digital services to consumers (B2C) in Malta to register for and collect VAT, regardless of the sales amount. The obligation was expanded to EU-established digital services providers effective January 1, 2015.</p> <p>Effective January 1, 2019, Malta applies a VAT registration threshold of EUR 10,000 for EU-established digital services providers. The threshold does not apply to non-EU businesses.</p>	213

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
	✓	Enacted	July 1, 2021	Effective July 1, 2021, Malta requires non-resident vendors (including online platforms) selling low value consignments of goods valued below EUR 150, which are directly shipped from outside the EU to Maltese consumers (B2C), to register for and collect VAT, regardless of the sales amount.	214
Mauritius	✓	Enacted	August 12, 2020	On August 7, 2020, Mauritius published the Finance (Miscellaneous Provisions) Act 2020, which, among other things, introduces VAT on digital services provided through the Internet by non-residents to residents of Mauritius for utilization in Mauritius. The mechanism to collect VAT will be detailed in yet to be published regulations.	215
Mexico	✓	Enacted	June 3, 2020	Effective June 1, 2020, Mexico requires non-resident vendors of digital services to consumers (B2C and B2B) in Mexico to register for and collect VAT, regardless of the sales amount. Mexico qualifies only the following as digital services falling within the scope of the new rules: (1) downloads of, or access to, images, films, text, information, video, audio, music, games, including gaming, as well as other multimedia content, multi-player environments, ringtones, news streaming, traffic information, weather forecast and statistics; (2) intermediation between third parties that supply and demand goods or services; (3) online clubs and dating websites; and (4) remote teaching, tests, or exercises. In addition, digital intermediation platforms facilitating the sale for goods and services for Mexican individuals are required to withhold income tax and VAT on the underlying transaction.	216
	✓	Enacted	January 10, 2022	Effective January 1, 2021, Mexico amended the non-resident VAT digital services rules. The amendments include stricter sanctions for non-compliance with the tax obligations of foreign digital services providers according to which the Mexican tax authority may request internet service providers to temporarily blocks the ability of foreign digital services providers to offer digital services in Mexico if these providers have not complied with certain obligations. The amendments further simplify the withholding requirement for digital intermediation platforms by replacing the current gradual income tax withholding rates with a fixed rate for each activity. The amendments further clarify that intermediation services will be subject to VAT when a sale of used personal property is involved. Moreover, digital intermediation platforms that process payments are required to collect VAT when non-residents provide digital services into Mexico. Finally, digital intermediation platforms are allowed to display the price of the goods or services including the amount of tax with the statement "VAT inclusive."	217
	✓	Enacted	January 18, 2024	On January 18, 2024, the Mexican tax authority published an updated list of non-residents providers of digital services that are registered in Mexico. As of December 31, 2023, 201 taxpayers are registered under Mexico's VAT on digital services rules.	218

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
	✓	Enacted	July 16, 2024		
			<p>The Mexican tax authority recently introduced two new requirements for registering foreign digital service providers. Firstly, the provider's deeds of incorporation or bylaws must specify that the company's purpose is to provide services through a technological platform where goods are sold or leased. Secondly, the legal representative must sign an affidavit detailing the goods or services sold, the transaction website, and the main business administration address. Companies already registered for VAT on digital services in Mexico don't need to amend their bylaws, but new registrants should carefully review all formalities and evaluate their options to comply with these requirements.</p>	219	
Moldova	✓	Enacted	November 30, 2020		
			<p>Effective April 1, 2020, Moldova requires non-resident vendors (including online platforms) of digital services to consumers (B2C) in Moldova to register for and collect VAT, regardless of the sales amount.</p> <p>On October 17, 2020, Moldova's State Tax Service (STS) issued Order No. 539, which provides new guidance on the tax practice for the levy of VAT on non-resident providers of digital goods and services (e-commerce).</p> <p>On November 4, 2020, the STS published Order No. 561, which provides guidance concerning the levy of VAT on non-resident digital service providers. In particular, the order addresses the question of who is responsible for the payment of VAT where a natural person resident in Moldova contracts and pays for online advertising services provided by a non-resident.</p>	220	
	✓	Enacted	April 19, 2022	<p>Effective April 15, 2022, Moldova introduced a VAT exemption for e-books and e-periodicals.</p>	221
Montenegro	✓	Enacted	August 1, 2017	<p>Effective August 1, 2017, Montenegro requires non-resident vendors of remote services to consumers (B2C) in Montenegro to register for and collect VAT, regardless of the sales amount.</p>	222
Morocco	✓	Enacted	March 4, 2024	<p>Effective January 1, 2024, Morocco requires non-resident vendors of digital services to consumers (B2C) in Morocco to register for and collect VAT, regardless of the sales amount. The tax authorities have yet to publish details on the compliance mechanism, including a registration portal.</p>	223
Nepal	✓	Enacted	July 12, 2024		
			<p>Effective May 29, 2022, Nepal requires non-resident vendors of digital services to consumers (B2C) in Nepal to register for and collect VAT if their sales exceed NPR 2 million in a 12-month period. In addition, non-resident digital services providers are also subject to the 2 percent digital services tax.</p> <p>Effective July 16, 2024, Nepal increased the registration thresholds for non-residents liable to collect VAT on sales of digital services from NPR 2 million to NPR 3 million.</p>	224	
	✓	Enacted	June 6, 2023		
			<p>On June 1, 2023, Nepal's tax authority updated its guidelines regarding the VAT requirements for non-resident digital services. The updates include holding B2C customers liable for VAT if they wrongly declare themselves as a business, allowing non-resident registered taxpayers to issue e-invoices without the approval of the tax authority, and accounting for foreign currency transactions according to the Nepalese Rastra Bank exchange rate on the day of return submission.</p>	225	

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite
Netherlands	✓ Enacted	January 1, 2019	Effective July 1, 2003, the Netherlands requires non-EU vendors (including online platforms) of digital services to consumers (B2C) in the Netherlands to register for and collect VAT, regardless of the sales amount. The obligation was expanded to EU-established digital services providers effective January 1, 2015. Effective January 1, 2019, the Netherlands applies a VAT registration threshold of EUR 10,000 for EU-established digital services providers. The threshold does not apply to non-EU businesses.	226
	✓ Enacted	July 1, 2021	Effective July 1, 2021, the Netherlands requires non-resident vendors (including online platforms) selling low value consignments of goods valued below EUR 150, which are directly shipped from outside the EU to Dutch consumers (B2C), to register for and collect VAT, regardless of the sales amount.	227
	✓ Enacted	July 29, 2024	On October 20, 2023, the Dutch tax authority announced a waiver of penalties until July 1, 2024, for taxpayers that are non-compliant with the EU VAT e-commerce package. The tax authority will further refund any penalties already paid and will close all outstanding disputes in favour of the taxpayers, except in cases where taxpayers deliberately did not pay the full VAT due. On July 29, 2024, the Netherlands published Decree No. 2024-16101 that administrative fines on VAT e-commerce defaults will continue to be waived until January 1, 2025.	228
New Caledonia	✓ Enacted	October 23, 2020	Effective April 1, 2017, New Caledonia requires non-resident vendors (including online platforms) of digital services to consumers (B2C) in New Caledonia to register for and collect VAT if their sales exceed XFP 7.5 million in a 12-month period.	229
New Zealand	✓ Enacted	August 1, 2016	Effective October 1, 2016, New Zealand requires non-residents (including online platforms) providing remote services, including digital services, to consumers (B2C) in Australia to register for and collect GST if their sales exceed NZD 60,000 in a 12-month period.	230
	✓ Enacted	June 28, 2019	Effective December 1, 2019, non-resident vendors (including online platforms) selling low value consignments of goods valued below NZD 1,000 to New Zealand consumers (B2C) must register for and collect GST if their sales exceed NZD 60,000 in a 12-month period.	231
	✓ Enacted	March 7, 2022	On March 29, 2022, New Zealand's parliament adopted a bill, which, among other things, excludes crypto assets from the GST and financial arrangements rules.	232

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
	✓	Enacted	March 7, 2023	<p>On March 31, 2023, New Zealand enacted the “Taxation (Annual Rates for 2022-23, Platform Economy, and Remedial Matters) Bill,” which, among other things, introduces GST collection obligations on electronic marketplaces that facilitate accommodation and transportation services effective April 1, 2024 and introduces new information reporting requirements for New Zealand digital platform operators in the gig and sharing economy.</p> <p>On June 19, 2023, New Zealand’s Inland Revenue published guidance for the application of the “marketplace rules for listed services.” “Listed services” include ride-sharing and ride-hailing, delivery services for beverages, food, or both, and taxable accommodation that are performed, provided, or received in New Zealand.</p>	233
	✓	Enacted	March 28, 2024	<p>On March 28, 2024, New Zealand enacted the Taxation (Annual Rates for 2023-24, Multinational Tax, and Remedial Matters) Act 2024, introducing a 12% duty on offshore gambling profits from online gambling operators targeting New Zealand consumers, effective from July 1, 2024. The Act also includes a transitional rule exempting electronic marketplace operators from deducting GST on sales of accommodation services contracted before April 1, 2024, but provided after this date.</p>	234
Nigeria	✓	Enacted	January 16, 2020	<p>Nigeria's parliament recently approved the Finance Act of 2019, which, among other things, introduces a requirement for non-resident vendors to register for and collect VAT on services (including digital services) provided to customers in Nigeria.</p> <p>On May 29, 2020, the government of Nigeria issued an Order that defines the significant economic presence standard (SEP), which was introduced earlier this year with the Finance Act for 2020. According to the Order, which is retroactive effective February 3, 2020, a non-resident will be considered having SEP in Nigeria if the non-resident makes sales of digital services (as defined in the Order) which exceed an annual threshold of NGN 25 million (\$64,500). If a non-resident is deemed to have a SEP in Nigeria, it is required to register for tax purposes with the Nigerian tax authority and file all required returns, including income tax and VAT.</p>	235
	✓	Enacted	April 13, 2021	<p>Effective January 1, 2021, non-resident persons selling goods or services to Nigerian customers, whether digital or general services consulting, are required to register with the Federal Inland Revenue Service (FIRS) for VAT purposes, even if they do not meet the local significant economic presence requirements.</p>	236
	✓	Enacted	December 31, 2021	<p>On October 11, 2021, the Nigerian tax authority published guidelines explaining a new VAT simplified compliance regime for non-resident vendors. The guidelines are effective January 1, 2022 for non-residents providing services and intangibles, and January 1, 2024 for non-residents selling goods. The guidelines include provisions for the definition of goods and services in scope, and conditions to qualify for registration under the simplified regime. The provisions of the guidelines were codified in the Finance Act, 2021</p>	237

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
	✓	Enacted	October 31, 2022	The Federal Inland Revenue Service (FIRS) recently issued a public notice announcing its intention to deploy the “Sentinal National Payment Gateway” that will provide FIRS with the ability to collect taxes on gaming transactions in real time, thereby improving tax compliance with respect to companies providing online gaming services. FIRS has mandated all Nigerian and non-resident companies (NRCs) offering online gaming services to Nigerian customers, to connect to the gateway no later than December 31, 2022.	238
	✓	Enacted	July 10, 2023	On May 28, 2023, Nigeria enacted its 2023 Finance Act, which, among other things, changes the deadline for monthly VAT return compliance from the 21st to the 14th of each month. The Finance Act further provides that goods purchased through an online electronic/digital platform, operated by a non-resident supplier who has been appointed as a VAT collector by the tax authority, and imported into Nigeria will not be subjected to a further VAT on their clearance with the Nigerian Customs Service provided that the importer can show evidence that the non-resident supplier charged VAT on the sales invoice. Nigeria’s president subsequently issued an executive order deferring the implementation of changes in the Finance Act 2023 from May to September 2023.	239
North Macedonia	✓	Enacted	August 1, 2023	Effective January 1, 2024, North Macedonia requires non-resident vendors of digital services to consumers (B2C) in Macedonia to register for and collect VAT, regardless of the sales amount.	240
Norway	✓	Enacted	March 1, 2010	Effective July 1, 2011, Norway requires non-resident vendors (including online platforms) of digital services to consumers (B2C) in Norway to register for and collect VAT if the sales exceed NOK 50,000 in a 12-month period.	241
	✓	Enacted	March 6, 2020	Effective January 1, 2020, non-resident vendors (including online platforms) selling low value consignments of goods valued below NOK 3,000 to Norwegian consumers (B2C) must register for and collect VAT if their sales exceed NOK 50,000 in a 12-month period. The requirement first applied to vendors of food and beverages, restricted goods such as endangered animal species, certain chemicals and medicines, and certain other taxable goods, such as motor oil. Effective April 1, 2020, the requirement was expanded to vendors of other goods, including clothing, shoes, and electronics.	242
	✓	Enacted	December 20, 2019	Effective January 1, 2020, digital platforms providing real estate leasing services are required to report information about lessors to the tax authority.	243
	✓	Enacted	December 16, 2022	The tax authority of Norway clarified that the transfer of digital works of art is a digital service subject to VAT. Such a sale does not fall within the VAT exemption for the sale by an author of their own works of art or copyright over their own literary or artistic works as the VAT exemption only applies to tangible art.	244
	✓	Enacted	December 21, 2023	Effective January 1, 2023, Norway expanded the obligation for non-resident B2C digital services providers to all remote services and discontinued the current VAT exemption for electronic news services.	245
	✓	Enacted	June 29, 2023	On June 29, 2023, the Norwegian Tax Administration published Tax Appeals Board Decision No. SKNS1-2023-30, in which the Tax Appeals Board observed that it strongly doubts whether participating in a mining pool qualifies as a taxable activity, but in an in any case it would be a VAT exempt financial services activity.	246

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite
Oman	✓ Enacted	October 14, 2020	Effective April 1, 2021, Oman requires non-resident vendors of digital services to consumers (B2C) in Oman to register for and collect VAT, regardless of the sales amount.	247
	✓ Enacted	August 31, 2022	In August 2022, the Omani Tax Authority (OTA) issued a guide to clarify the VAT treatment of supplies of goods and services made via electronic commerce (e-commerce). The guide clarifies, among other things, the VAT registration requirement for non-resident suppliers engaging in e-commerce activities who are obligated to collect VAT for their supplies to Oman; the sourcing rules; the person liable to collect VAT when sales are made through an intermediary; and the filing and recordkeeping obligations.	248
OECD	● Announced	April 12, 2017	On April 12, 2017, the OECD published the International VAT/GST Guidelines, which present a set of internationally agreed standards and recommended approaches to address the issues that arise from the uncoordinated application of national VAT systems in the context of international trade. They focus on trade in services and intangibles, which poses increasingly important challenges for the design and operation of VAT systems worldwide. They notably include the recommended principles and mechanisms to address the challenges for the collection of VAT on cross-border sales of digital products that had been identified in the context of the OECD/G20 Project on Base and Erosion and Profit Shifting (the BEPS Project).	249
	● Announced	June 20, 2019	<p>On October 24, 2017, the OECD published a report on Mechanisms for the Effective Collection of VAT/GST, which provides new implementation guidance to promote the effective collection of VAT on cross-border sales. This guidance will support the consistent implementation of internationally agreed standards for the VAT treatment of cross-border trade.</p> <p>On June 20, 2019, the OECD published a role on the Role of Digital Platforms in the Collection of VAT/GST on Online Sales, which provides practical guidance to tax authorities on the design and implementation of a variety of solutions for digital platforms, including e-commerce marketplaces, in the effective and efficient collection of VAT/GST on the digital trade of goods, services and intangibles.</p>	250
	● Announced	April 19, 2021	On April 19, 2021, the OECD published a report on the impact of the growth of the sharing and gig economy on VAT/GST policy and administration, which offers solutions for the application of VAT/GST to sharing and gig economy operators. The OECD report: (1) highlights the central role that sharing and gig economy platforms can play in providing information to tax authorities and collecting the VAT/GST on activities in the sharing and gig economy; (2) sets out the core components of a comprehensive VAT/GST policy strategy for tax authorities in response to sharing and gig economy growth; (3) analyzes the main business models of the sharing and gig economy and the challenges for VAT/GST collection and administration, and presents a range of measures to address these challenges; and (4) includes detailed guidance on effective solutions for sharing and gig economy platforms in providing information to tax authorities and in collecting the VAT/GST on the activities that they facilitate.	251

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite
	● Announced	February 16, 2023	<p>On June 23, 2021, the OECD published a VAT digital toolkit for Latin America and the Caribbean. The toolkit provides detailed guidance to tax authorities in Latin America and the Caribbean on implementation strategies, policies, best practices, and legislations to secure VAT revenue in the space of e-commerce.</p> <p>On March 10, 2022, the OECD published a similar VAT digital toolkit for the Asia-Pacific region.</p> <p>On February 15, 2023, the OECD published a similar VAT digital toolkit for Africa.</p>	252
Pakistan	✓ Enacted	August 17, 2021	<p>On June 30, 2021, Pakistan published the Finance Act 2021, which came into effect on July 1, 2021. The Act requires, among other things, online marketplaces to withhold sales tax at 2 percent on the gross value of sales when made by non-active taxpayers. An “online marketplace” is defined as an electronic interface such as a marketplace, e-commerce platform, portal, or similar means, which facilitates the sale of goods, including third-party sales by: (a) controlling the terms and conditions of the sale; (b) authorizing the charge to the customers in respect of the payment for the supply; or (c) ordering or delivering the goods. These rules apply. Effective September 1, 2021, where the seller is in Pakistan, is unregistered under the Sales Tax Act, and the sales are made from Pakistan.</p>	253
	✓ Enacted	July 1, 2021	<p>Effective July 1, 2021, the province of Balochistan expanded the list of taxable services subject to its sales tax to include services provided by online marketplaces. Consequently, marketplaces that provide facilitation services are required to register. An online marketplace is defined as an information technology platform run by an e-commerce entity or organization over an electronic network that acts as a facilitator in transactions that occur between a buyer and a seller or between a service provider and service recipient.</p>	254
Palau	✓ Enacted	August 9, 2022	<p>Effective January 1, 2023, Palau implemented a 10 percent goods and services tax (PGST), which includes measures to impose tax on the provision of remote services to consumers in Palau. Nonresidents are required to register if their sales exceed the registration threshold of \$300,000.</p> <p>On July 25, 2022, the Palauan tax authority announced the launch of the consultation process for the draft PGST regulations.</p>	255
Panama	● Proposed	August 16, 2023	<p>The government of Panama recently announced that it is exploring measures to impose VAT on non-resident providers of digital services to level the playing field with traditional providers. Details of any potential measures are still pending.</p>	256

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
Paraguay	✓	Enacted	January 11, 2021	<p>Effective January 1, 2021, Paraguayan financial intermediaries, including credit and debit card providers, are required to add and withhold VAT when a Paraguayan user pays for digital services provided by non-residents.</p> <p>On December 28, 2020, Paraguay published General Resolution No. 76-20, which specifies the types of digital services affected by the withholding requirement as follows: digital distribution of multimedia content (games, movies, music, videos, among others); data processing and storage in general, and the provision, development, or updating of software or applications in general; cable and satellite television; marketing and advertising; games of luck, chance, bets and the like; and educational services provided through technological platforms. Finally, the Resolution includes special rules for digital intermediation services for land transportation services, whereby, instead of a withholding performed by local financial intermediaries, a non-resident provider of the intermediation services must register with the tax administration within 10 business days of beginning activities in Paraguay.</p>	257
	✓	Enacted	August 25, 2023	<p>On August 23, 2023, the Paraguayan tax authority published Binding Consultation No. 392, clarifying that digital call centre services provided to a non-resident are not subject to VAT in Paraguay if they are not effectively used or exploited in Paraguay.</p>	258
Peru	●	Proposed	October 27, 2021	<p>On July 8, 2022, the parliament of Peru accepted for consideration Bill No. 02546/2021, which, if approved, would subject to VAT all supplies of services provided via “digital platforms” by entities or individuals not domiciled in Peru. The Bill does not define “digital platforms” but a study attached to the proposal refers to several large digital economy companies. According to the Bill, financial intermediaries would be responsible to withhold VAT when a Peruvian user pays for digital services provided by non-residents.</p>	259
Philippines	✓	Enacted	October 26, 2021	<p>On August 16, 2021, the Bureau of Internal Revenue of the Philippines (BIR) issued Revenue Memorandum Circular (RMC) 97-2021 reminding social media influencers that they are liable for income tax and percentage tax or VAT.</p> <p>On October 26, 2021, the Philippines Department of Finance issued a circular announcing that the BIR has been instructed to establish a dedicated unit to track online sales of goods and services and coordinate with tax authorities in other countries to determine how to properly tax such transactions.</p>	260
	●	Proposed	March 7, 2024	<p>On February 6, 2024, the Philippines Senate accepted Senate Bill (SB) No. 2528 for consideration, which would require non-resident vendors of digital services (including online platforms) to consumers (B2C) in the Philippines to register for and collect VAT if their sales exceed PHP 3 million in a 12-month period.</p>	261

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
Poland	✓	Enacted	January 1, 2019	<p>Effective May 1, 2004, Portugal requires non-EU vendors (including online platforms) of digital services to consumers (B2C) in Poland to register for and collect VAT, regardless of the sales amount. The obligation was expanded to EU-established digital services providers effective January 1, 2015.</p> <p>Effective January 1, 2019, Poland applies a VAT registration threshold of EUR 10,000 for EU-established digital services providers. The threshold does not apply to non-EU businesses.</p>	262
	✓	Enacted	July 1, 2021	<p>Effective July 1, 2021, Poland requires non-resident vendors (including online platforms) selling low value consignments of goods valued below EUR 150, which are directly shipped from outside the EU to Polish consumers (B2C), to register for and collect VAT, regardless of the sales amount.</p>	263
Portugal	✓	Enacted	January 1, 2019	<p>Effective July 1, 2003, Portugal requires non-EU vendors (including online platforms) of digital services to consumers (B2C) in Portugal to register for and collect VAT, regardless of the sales amount. The obligation was expanded to EU-established digital services providers effective January 1, 2015.</p> <p>Effective January 1, 2019, Portugal applies a VAT registration threshold of EUR 10,000 for EU-established digital services providers. The threshold does not apply to non-EU businesses.</p>	264
	✓	Enacted	July 1, 2021	<p>Effective July 1, 2021, Portugal requires non-resident vendors (including online platforms) selling low value consignments of goods valued below EUR 150, which are directly shipped from outside the EU to Portuguese consumers (B2C), to register for and collect VAT, regardless of the sales amount.</p>	265
Puerto Rico	✓	Enacted	December 21, 2020	<p>On December 8, 2020, the Puerto Rico Treasury Department published new sales tax regulations implementing the law requiring marketplace facilitators to collect and remit sales tax. In April 2020, Puerto Rico enacted Act 40-2020, which imposed sales and use tax collection requirements on marketplace facilitators that facilitate sales to customers in Puerto Rico. According to the regulations, marketplace facilitators are considered withholding agents for “mail-order sales” to Puerto Rico residents. The term “mail-order sales” is defined to include the sale of tangible personal property, specific digital products, or enumerated taxable services. “Specific digital products” means electronically transferred digital audiovisual works, digital audio works, or other digital products, provided that a digital code that grants a digital buyer the right to obtain a product will be treated as a sale of a product. “Other digital products” includes greeting cards, images, video or electronic games or entertainment, group memberships to obtain exclusive electronic or audiovisual data, and any other product that could be considered a digital product. Marketplace facilitators without a physical location in Puerto Rico but making mail-order sales in excess of \$100,000 or at least 200 transactions in their business year or annual accounting period will be deemed to have economic nexus with Puerto Rico. The marketplace facilitator tax collection requirements under Act 40-2020 took effect retroactively to January 1, 2020, and marketplace facilitators with nexus will be subject to penalties if they fail to register as merchants with the Department. The regulations specify, however, that the PRTD will not impose penalties on marketplace facilitators if they register on or before December 31, 2020.</p>	266

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite
	✗	Rejected	November 5, 2022	267
Romania	✓	Enacted	January 1, 2019	268
	✓	Enacted	July 1, 2021	269
Russia	✓	Enacted	August 11, 2016	270
	✓	Enacted	December 22, 2017	271
	✓	Enacted	February 11, 2021	272

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
	✓	Enacted	October 15, 2020	Effective January 1, 2021, Russia applies the reduced VAT rate of 10 percent on the sale of e-books and audio books related to education, science, and culture.	273
	✓	Enacted	July 8, 2021	Russia announced a new law that introduces requirements for foreign IT companies that may affect the application of its VAT law. The law requires foreign IT companies that meet certain criteria to among others, create a branch, representative office, or a subsidiary in Russia which will have the authority to represent the company. A foreign IT company that provides e-services in Russia through a branch is generally not allowed to use the simplified VAT registration mechanism for non-residents.	274
	✓	Enacted	February 15, 2023	On December 5, 2022, the Russian Ministry of Finance published Guidance Letter 03-03-06/1/118755 clarifying that digital mining transactions are subject to VAT at the general rate of 20 percent.	275
Rwanda	●	Announced	March 11, 2022	On March 11, 2022, Rwanda announced that it plans to introduce a law requiring non-resident vendors of digital service to Rwandan customers to register for VAT.	276
Saudi Arabia	✓	Enacted	August 2, 2017	Effective January 1, 2018, Saudi Arabia requires non-resident vendors (including online platforms) of digital services to consumers (B2C) in Saudi Arabia to register for and collect VAT, regardless of the sales amount.	277
	✓	Enacted	August 30, 2021	On March 2, 2021, the Zakat, Tax and Customs Authority (ZATCA) of Saudi Arabia published VAT guidelines for online stores in which it clarified that online stores whose annual sales exceed SAR 375,000 must: (1) obtain commercial registration; (2) register for VAT and display the VAT certificate on their online platform; and (3) file tax returns and pay tax liabilities. Online stores are digital platforms that are engaged in commercial activities through websites, social media platforms, instant messaging applications, and shopping applications. On August 30, 2021, the ZATCA issued guidelines on the VAT treatment of e-commerce transactions. The guidelines clarify the VAT implications of different e-commerce business models including that e-commerce booking services would be subject to VAT based on the underlying transaction.	278
Senegal	✓	Enacted	June 6, 2024	Effective July 1, 2024, Senegal requires non-resident vendors of digital services to customers (B2C and B2B) in Senegal to register for and collect VAT, regardless of the sales amount.	279
Serbia	✓	Enacted	May 31, 2016	Effective January 1, 2017, Serbia requires non-resident vendors of digital services to consumers (B2C) in Serbia to register for and collect VAT, regardless of the sales amount.	280
Sierra Leone	✓	Enacted	May 19, 2023	Effective January 1, 2021, Sierra Leone introduced a GST collection obligation for digital platforms facilitating the sale of digital services to customers in Sierra Leone. The tax authority has yet to issue guidelines on the implementation of the new rules.	281
				Effective April 1, 2023, Sierra Leone amended its GST act to, among other things, include in the scope of digital services subject to GST satellite television and online or digital gambling and betting activities.	

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
Singapore	✓	Enacted	December 10, 2021	Effective January 1, 2020, Singapore requires non-resident vendors (including online platforms) of digital services to consumers (B2C) in Singapore to register for and collect VAT if their sales exceed SGD 1 million worldwide and SGD 100,000 of taxable sales in Singapore in a 12-month period. Effective January 1, 2023, Singapore expanded the scope of services to all remotely provided services.	282
	✓	Enacted	December 31, 2019	Effective January 1, 2020, the use of digital payment tokens as payment for goods or services is outside the scope of GST, and the exchange of digital payment tokens for fiat currency or other digital payment tokens is exempt from GST.	283
	✓	Enacted	December 10, 2021	Effective January 1, 2023, non-resident vendors (including online platforms) selling low value consignments of goods valued below SGD 400 to Singaporean consumers (B2C) must register for and collect GST if their sales exceed SGD 1 million worldwide and SGD 100,000 of taxable sales in Singapore in a 12-month period.	284
Slovakia	✓	Enacted	January 1, 2019	Effective May 1, 2004, Slovakia requires non-EU vendors (including online platforms) of digital services to consumers (B2C) in Slovakia to register for and collect VAT, regardless of the sales amount. The obligation was expanded to EU-established digital services providers effective January 1, 2015. Effective January 1, 2019, Slovakia applies a VAT registration threshold of EUR 10,000 for EU-established digital services providers. The threshold does not apply to non-EU businesses.	285
	✓	Enacted	July 1, 2021	Effective July 1, 2021, Slovakia requires non-resident vendors (including online platforms) selling low value consignments of goods valued below EUR 150, which are directly shipped from outside the EU to Slovak consumers (B2C), to register for and collect VAT, regardless of the sales amount.	286
	✓	Enacted	May 31, 2023	On May 30, 2023, the Slovak tax authority issued guidance No. 4/DPH/2023/MU on the application of VAT in transactions involving cryptocurrencies. The guidance defines cryptocurrency for VAT purposes and states that the supply of goods or services remunerated in cryptocurrencies will be treated in the same way as any other supply in accordance with the practice in the European Union. The guidance also clarifies that the exchange of cryptocurrencies and digital wallet services for consideration should be exempt from VAT.	287
Slovenia	✓	Enacted	January 1, 2019	Effective May 1, 2004, Slovenia requires non-EU vendors (including online platforms) of digital services to consumers (B2C) in Slovenia to register for and collect VAT, regardless of the sales amount. The obligation was expanded to EU-established digital services providers effective January 1, 2015. Effective January 1, 2019, Slovenia applies a VAT registration threshold of EUR 10,000 for EU-established digital services providers. The threshold does not apply to non-EU businesses.	288
	✓	Enacted	July 1, 2021	Effective July 1, 2021, Slovenia requires non-resident vendors (including online platforms) selling low value consignments of goods valued below EUR 150, which are directly shipped from outside the EU to Slovene consumers (B2C), to register for and collect VAT, regardless of the sales amount.	289

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
South Africa			<p>Effective June 1, 2014, South Africa requires non-resident vendors of digital services to customers (B2C and B2B) in South Africa to register for and collect VAT, if their sales exceed ZAR 50,000 in a 12-month period.</p> <p>Effective April 1, 2019, South Africa expanded the scope of digital services falling within the scope of the non-resident digital services rules, introduced VAT collection obligations for intermediaries in digital services transactions (e.g., online platforms), and increased the VAT registration threshold for non-resident digital services providers from ZAR 50,000 to ZAR 1 million.</p>		
	✓	Enacted	December 10, 2021	<p>On March 18, 2019, South Africa published regulations prescribing electronic services for purpose of defining "electronic services" in section 1 of VAT Act. According to the regulations, "electronic services" means any services supplied by means of an electronic agent, electronic communication, or the internet for any consideration, other than (a) educational services, (b) telecommunications services; or (c) intra-group services.</p> <p>On December 10, 2021, South Africa issued a regulation on new changes to the VAT invoice requirements for non-resident digital service providers. The new requirements will amongst others, require that the following be included in the invoice, the VAT registration number of service recipient, a full and proper description of the service, and the exchange rate used (when services are provided in currency other than South African Rand).</p>	290
	●	Proposed	August 19, 2020	<p>The government of South Africa released draft Regulations for prescribing electronic services for purpose of defining "electronic services" in section 1 of VAT Act. The draft regulations define the term "content" and amend the definition of "telecommunications services." The current VAT regulations on electronic services provides a specific exclusion for "telecommunication services" but do not provide a definition for "telecommunication services."</p>	291
	✓	Enacted	September 2, 2022	<p>On August 3, 2022, the South African Revenue Service (SARS) published a VAT guide for non-resident digital services providers. The guide addresses the following: (1) completing the application for registration for VAT; (2) completing the VAT vendor declaration; and (3) requesting a VAT registration to be cancelled in cases where the value of electronic services supplied has not exceeded the ZAR 1 million threshold in a period of 12 months.</p> <p>On April 14, 2023, the SARS published an update to the VAT guide for non-resident digital services providers. The latest update is to ensure that a supplier of electronic services by a foreign suppliers and foreign intermediaries are not registering for VAT due to an exception when calculating the ZAR 1 million threshold.</p>	292

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite
	● Proposed	February 27, 2024	On February 21, 2024, the South African Minister of Finance presented the country's 2024 budget. Among other things, the budget includes proposals to limit the application of the VAT digital services regime to non-resident vendors who provide electronic services to non-vendors or end-users and to exempt non-resident providers of electronic services from the requirement to appoint a representative in South Africa.	293
South Korea	✓ Enacted	Aug. 11, 2015	Effective July 1, 2015, South Korea requires non-resident vendors of certain digital services to consumers (B2C) in South Korea to register for and collect VAT, regardless of the sales amount.	294
	✓ Enacted	December 20, 2018	Effective July 1, 2019, South Korea expanded the scope of digital services falling within the scope of the non-resident digital services rules to include advertising services, cloud computing services, and intermediary online-to-offline services effective July 1, 2019.	295
	✓ Enacted	January 8, 2024	In December 2023, South Korea adopted amendments to its tax law which, among other things, introduce new enforcement provisions relating to non-compliant non-resident digital services providers. The amendments allow the relevant tax office to (1) investigate and register non-resident digital services providers at their discretion; and (2) impose a penalty equivalent to 1 percent of the total value of sale during the unregistered period.	296
Spain	✓ Enacted	January 1, 2019	Effective July 1, 2003, Spain requires non-EU vendors (including online platforms) of digital services to consumers (B2C) in Spain to register for and collect VAT, regardless of the sales amount. The obligation was expanded to EU-established digital services providers effective January 1, 2015. Effective January 1, 2019, Spain applies a VAT registration threshold of EUR 10,000 for EU-established digital services providers. The threshold does not apply to non-EU businesses.	297
	✓ Enacted	July 1, 2021	Effective July 1, 2021, Spain requires non-resident vendors (including online platforms) selling low value consignments of goods valued below EUR 150, which are directly shipped from outside the EU to Spanish consumers (B2C), to register for and collect VAT, regardless of the sales amount.	298
	✓ Enacted	May 31, 2022	On March 10, 2022, the General Directorate of Taxes (GDT) published Ruling V0486-22 clarifying that NFTs should not be classified as a delivery of goods, since the object of the transaction was the digital certificate of authenticity that represents the NFT, without a physical delivery of the image file or the digital file associated with it. The GDT distinguishes between two types of digital assets in the process of creating the NFT: (1) the underlying digital file — in this case, an image edited with Photoshop; and (2) the token itself, which represents the digital property of the underlying digital file. The GDT concluded that the transfer of the NFT implied the provision of digital art services and, accordingly, it should be classified as digital services subject to VAT at the standard VAT rate. Finally, the held that if such NFTs are sold through a online marketplace, the marketplace should be liable to collect VAT on the underlying NFT.	299

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
Suriname	✓	Enacted	August 31, 2022	<p>Effective January 1, 2023, Suriname will require non-resident service providers to register for and collect VAT on the provision of the following services to consumers in Suriname: (1) the transfer and granting of copyrights, patents, licensing rights, trademarks and similar rights; (2) advertising services; (3) services provided by consultants, engineers, consultancies, lawyers, accountants and other similar services, as well as data processing and disclosure; (4) the obligation not to exercise, in whole or in part, a professional activity or a right referred to in this Article; (5) banking, financial and insurance operations, including reinsurance operations and except for the hire of safes; (6) the provision of staff; (7) the rental of movable tangible property, except for all means of transport; (8) telecommunication services; (9) radio- on television broadcasting services; and (10) electronic services. The law includes a registration threshold of SRD 500,000 for non-resident providers of digital services but does not include any such threshold for the other remotely provided services.</p>	300
Sweden	✓	Enacted	January 1, 2019	<p>Effective July 1, 2003, Sweden requires non-EU vendors (including online platforms) of digital services to consumers (B2C) in Sweden to register for and collect VAT, regardless of the sales amount. The obligation was expanded to EU-established digital services providers effective January 1, 2015.</p> <p>Effective January 1, 2019, Sweden applies a VAT registration threshold of EUR 10,000 for EU-established digital services providers. The threshold does not apply to non-EU businesses.</p>	301
	✓	Enacted	July 1, 2021	<p>Effective July 1, 2021, Sweden requires non-resident vendors (including online platforms) selling low value consignments of goods valued below EUR 150, which are directly shipped from outside the EU to Swedish consumers (B2C), to register for and collect VAT, regardless of the sales amount.</p>	302
	✓	Enacted	March 1, 2019	<p>Effective March 1, 2019, PostNord collects VAT on behalf on non-residents selling low value consignments of goods to B2C customers (i.e., goods imported from non-EU countries).</p>	303
	✓	Enacted	June 1, 2023	<p>On June 1, 2023, the Swedish tax authority updated its VAT guidance on banking and financial services clarifying that digital currencies stored and transferred using digital wallets are exempt from VAT if the transactions with digital currencies are equivalent to legal means of payment.</p>	304
	✓	Enacted	April 2, 2024	<p>On March 28, 2024, the Swedish tax authority issued a ruling clarifying the VAT treatment of non-fungible tokens (NFTs) linked to a digital work. The ruling defines NFTs as unique blockchain records signifying ownership of specific assets. It explains that an NFT typically includes two components: the ownership of the digital work and the NFT itself, both of which are interdependent and represent a single transaction for VAT purposes. This combination constitutes a new digital service. The ruling also addresses instances where the transfer of an NFT includes copyright, stating that if the copyright is not linked to the NFT, it is considered two separate transactions. However, if the NFT represents both the ownership and its copyright, a case-by-case evaluation is required.</p>	305

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite
Switzerland	✓ Enacted	June 23, 2020	<p>Effective January 1, 2010, Switzerland requires non-resident vendors of digital services to consumers (B2C) in Switzerland to register for and collect VAT if their sales exceed CHF 100,000 in a 12-month period.</p> <p>Effective January 1, 2018, Switzerland amended the computation method of the VAT registration threshold for non-resident digital services providers so that the CHF 100,000 threshold applies on a worldwide income.</p> <p>Effective January 1, 2019, Switzerland expanded the new threshold computation to non-resident suppliers of low-value consignments (i.e., goods where the amount of import VAT does not exceed CHF 5), thus requiring such businesses also to register for and collect VAT.</p> <p>On June 23, 2020, the Swiss Federal tax Administration published an updated guide on VAT and electronic services, which include several material changes. The updated guidance clarifies the scope of the digital services rules and includes practical examples of what is considered a digital service for VAT purpose, including for digital platforms.</p>	306
	✓ Enacted	July 3, 2023	<p>On June 16, 2023, the Swiss Parliament approved new VAT provisions, including the implementation of a deemed supplier rule for products sold through digital platforms (marketplaces). Under the regime, sellers will not charge VAT to the marketplace (zero rate) but they will have a subsidiary liability for the tax due by the marketplace. The marketplace's fee will be deemed to be a (taxable) consideration for the service provided by the marketplace. Moreover, marketplaces can elect for the deferral regime for importations (i.e., declare import VAT with the VAT return instead of paying it at customs). Finally, while electronic services are currently not in the scope, a separate piece of legislation will be prepared to include electronic services in a few years. The enactment date is yet to be determined by the Federal Council and expected to be January 1, 2025.</p>	307
	✓ Enacted	November 6, 2023	<p>On August 29, 2023, the Swiss Federal Administrative Court (SFAC) clarified the VAT treatment for validation/verification activities in blockchain networks (Case A-5638/2022). The SFAC concluded that the recipient of the validation or verification activities is the service recipient and that these activities should be treated independently for VAT purposes. The court ruled that the transaction processing, for which the validator collected a transaction fee, is a taxable service, while the remaining validation/verification activities provided to the blockchain network, for which the validator received block rewards, are non-taxable.</p>	308

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite
	● Proposed	July 30, 2024	On July 9, 2024, Swiss tax authorities released draft guidelines for the forthcoming platform rules for goods, effective from January 1, 2025. Under the new Article 20a of the Swiss VAT Act, anyone facilitating the sale of goods through an electronic interface will be deemed the seller for VAT purposes. The guidelines clarify that all types of sales, including B2B, B2C, C2C, and C2B, both domestic and imported, fall under these rules. Platforms must register for VAT if they generate annual gross receipts from non-exempt transactions totalling CHF 100,000 and operate on Swiss territory. Platforms facilitating service sales are not subject to these rules but must provide transaction information if the total transaction value exceeds CHF 1 million in the calendar year. Non-compliance could result in criminal prosecution.	309
Taiwan	✓ Enacted	March 22, 2017	Effective May 1, 2017, Taiwan requires non-resident vendors (including online platforms) of digital services to consumers (B2C) in Taiwan to register for and collect VAT if their sales exceed TWD 480,000 in a 12-month period.	310
	✓ Enacted	October 29, 2019	Effective January 1, 2019, non-resident VAT registered digital services providers are required to issue government compliant e-invoices. On July 16, 2018, the Ministry of Finance of Taiwan released a tax ruling stating that while foreign e-service suppliers are required to issue e-GUI starting from January 1, 2019, relevant penalties for failing to issue e-GUI will not apply for the first year.	311
	✓ Enacted	August 18, 2023	On August 11, 2023, Taiwan's National Tax Bureau announced that VAT should be collected on sales of virtual items and virtual wealth gained in online games. Platform facilitating the sale of such intangibles are responsible to collect VAT on the full consideration received and are required to issue an e-invoice to the buyer. Taxpayers who acquire such items or wealth must obtain an invoice to be able to claim input VAT credits on subsequent sales.	312
Tajikistan	✓ Enacted	January 13, 2021	Effective January 21, 2021, Tajikistan requires non-resident vendors (including online platforms) of digital services to consumers (B2C) in Tajikistan to register for and collect VAT, regardless of the sales amount.	313
Tanzania	✓ Enacted	July 12, 2023	Effective July 1, 2015, Tanzania requires non-resident vendors of digital services to consumers (B2C) in Tanzania to register for and collect VAT if their sales exceed TZS 100 million. Effective July 1, 2022, Tanzania implemented a simplified registration process for non-resident digital services providers. While Tanzania's VAT digital services regime has been in effect since July 1, 2015, the regulations implementing the new VAT registration mechanism state that "a non-resident person who supplies electronic services in Mainland Tanzania prior to the coming into effect of these Regulations shall, within six months from the date of coming into effect, be required to register under these regulations." On June 30, 2023, Tanzania enacted the Finance Act 2023, which, among other things, expands the definition of digital services to include online intermediation services and online advertisement services. In addition, non-resident digital services providers are also subject to the 2 percent digital services tax.	314

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite
	● Announce ment	February 28, 2023	On February 28, 2023, the Tanzania Revenue Authority published a Public Notice informing registered non- resident digital service providers that they must file returns through the new online simplified return filing and payment portal.	315
	● Announce ment		The Tanzanian Revenue Authority recently issued a public notice outlining the VAT and DST obligations of non-resident providers of cross-border electronic services. According to the notice, all non-resident providers of electronic services must register for VAT and DST voluntarily using a simplified registration framework developed by the TRA. The notice also provides a registration manual for this purpose.	316
Thailand	✓ Enacted	February 10, 2021	Effective September 1, 2021, Thailand requires non-resident vendors (including online platforms) of digital services to consumers (B2C) in Thailand to register for and collect VAT if their sales exceed THB 1.8 million in a 12-month period.	317
	✓ Enacted	March 8, 2022	On May 24, 2022, Thailand published two royal decrees exempting the trading of digital assets via licensed digital asset exchanges and transfers of a retail digital currency to be issued by the Bank of Thailand (BOT) from April 1, 2022, to December 31, 2023.	318
	✓ Enacted	November 28, 2022	On June 28, 2022, Thailand introduced a 5-year VAT exemption for data hosting services, including: (1) the provision of servers and related equipment for the purpose of storing, processing, and connecting information through the internet; and (2) the provision of related support services for the above, including data backup services, network connection services, cloud services, and system management and information security services.	319
	✓ Enacted	August 18, 2023	On November 9, 2022, the Thai Revenue Department published Royal Decree 759 regarding the VAT exemption to promote investments in data center businesses and establish Thailand as a digital hub in the region. The VAT exemption applies to qualified data business operators that comply with all rules, procedures, and conditions as prescribed by the Revenue Department and applied for the exemption within 5 years from the date the Royal Decree comes into force.	320
	● Announce ment	March 11, 2024	On August 15, 2023, Thailand published Royal Decree No. 779, which establishes corporate income tax and VAT exemptions for transfers of digital investment tokens effective August 16, 2023.	321
Turkey	✓ Enacted	April 15, 2018	On February 14, 2024, the Thai Prime Minister reportedly requested the Ministry of Finance and the directors of the revenue and customs departments to consider applying VAT to low-value consignments, currently exempted, to address issues of false value declarations, cheap product dumping via online sources, and smuggling through false information to evade taxes.	322

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite
Uganda	✓	Enacted	July 14, 2021	323
	<p>Effective July 1, 2018, Uganda requires non-resident vendors of digital services to consumers (B2C) in Uganda to register for and collect VAT if their sales exceed UGX 150 million in a 12-month period.</p> <p>Uganda recently made amendments to its VAT regime as part of a broader 2021-22 Budget measures, which introduces a separate quarterly return filing for services provided by non-residents, including digital services.</p> <p>On July 7, 2022, the Uganda Revenue Authority issued a notice reminding non-resident digital services providers that they are required to register for VAT.</p> <p>On November 8, 2022, the Ugandan Revenue Authority published VAT FAQs for non-resident digital services providers. The FAQs clarify the registration and filing obligations of non-resident digital services providers, the services in scope of the rules, as well as the sourcing rules. According to the FAQs, the obligation for non-residents to register for and collect VAT is effective July 1, 2022.</p>			
	✓	Enacted	April 6, 2023	3:
Ukraine	✓	Enacted	September 30, 2022	325
	<p>Effective January 1, 2022, Ukraine requires non-resident vendors (including online platforms) of digital services to consumers (B2C) in Ukraine to register for and collect VAT if their sales exceed UAH 1 million.</p> <p>On November 1, 2021, Ukraine’s State Fiscal Service (SFS) issued a guidance letter clarifying the scope of the digital services subject to the new non-resident VAT registration requirement.</p> <p>On December 23, 2021, the Ukrainian Ministry of Finance issued a regulation for the implementation of the new registration requirements for non-resident digital services providers and the procedures for registration. Among other things, the regulation announced that nonresidents who are subject to the new rules are required to be registered by March 31, 2022.</p> <p>On September 28, 2022, the SFS issued a guidance letter clarifying the registration requirements for non-resident digital services providers, including when an intermediary is liable to register for, collect, and remit VAT rather than the underlying digital services provider.</p> <p>On October 31, 2022, the SFS published a guidance letter in which it clarified that a non-resident digital services provider is considered a VAT payer in Ukraine starting from the date of its VAT registration in Ukraine. If a non-resident is registered as a VAT payer not on the first day of reporting period (calendar quarter), the first reporting period for such non-resident VAT payer starts from the day of the VAT registration and ends on the last day of the following reporting period (calendar quarter). Payments for transactions performed before the VAT registration but received after such registration are not subject to the Ukrainian VAT. If a non-resident provides electronic services to individuals without registering for VAT purposes, the non-resident may be subject to a penalty of UAH 195,000.</p>			

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite
United Arab Emirates	✓ Enacted	December 1, 2017	Effective January 1, 2018, the UAE require non-resident vendors of digital services to consumers (B2C) in the UAE to register for and collect VAT, regardless of the sales amount.	326
	✓ Enacted	February 28, 2023	In August 2020, the Federal Tax Authority (FTA) of the UAE published an e-commerce VAT guide providing guidance on the VAT treatment of e-commerce sales of goods, the provision of digital services, and the VAT treatment of e-commerce platforms.	327
	✓ Enacted	February 28, 2023	The Federal Tax Authority (FTA) of the United Arab Emirates (UAE) recently published Decision No. 99 of 2022 amending the UAE VAT executive regulations. Among other changes, Decision No. 99 requires taxable persons to keep records establishing the Emirate in which the supply is received if they are making taxable supplies above AED 100 million in a year through commerce.	327
United Kingdom	✓ Enacted	January 1, 2019	On February 22, 2023, the FTA published Clarification VATP033 providing the criteria and conditions for the electronic filing of UAE tax returns by qualified taxpayers.	
	✓ Enacted	January 1, 2019	Effective July 1, 2003, the UK requires non-EU vendors (including online platforms) of digital services to consumers (B2C) in the UK to register for and collect VAT, regardless of the sales amount. The obligation was expanded to EU-established digital services providers effective January 1, 2015.	328
	✓ Enacted	March 13, 2018	Effective January 1, 2019, the UK applies a VAT registration threshold of EUR 10,000 for EU-established digital services providers. The threshold does not apply to non-EU businesses.	329
	✓ Enacted	February 24, 2020	Effective March 15, 2018, HMRC has the power to treat both the seller and the operator as jointly and severally liable for any under declaration of VAT for operators of a platform that knew or "ought to have known" that a non-UK seller was not accounting for VAT and does not act.	330
✓ Enacted	December 8, 2020	Effective January 1, 2021, the UK is no longer subject to the EU VAT rules. Therefore, non-resident vendors of digital services are no longer be subject to the EU-wide simplified Mini One-Stop Shop (MOSS) mechanism. Non-resident businesses selling digital services to consumers in the UK are thus required to register for UK VAT separately, even if they are already registered for MOSS in the UK. Non-EU businesses that have registered under MOSS in the UK for their EU digital services are also required to register for MOSS in another EU Member State in case of Brexit.	331	
✓ Enacted	December 8, 2020	Effective January 1, 2021, the UK requires non-resident vendors (including online platforms) selling low value consignments of goods valued below GBP 150, which are directly shipped from outside the UK to UK consumers (B2C), to register for and collect VAT, regardless of the sales amount.	331	

Taxation of the digitalized economy – indirect taxes

✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite	
			Effective May 1, 2020, VAT on digital publications are zero-rated. On March 11, 2021, HMRC published Revenue and Customs Brief 3 (2021): VAT liability of digital publications in which it clarified that supplies of digital publications before May 1, 2020, are standard rated. As HMRC's policy has not changed, any claims made in reliance of the Upper Tribunal decision in <i>News Corp</i> will be rejected.		
	✓	Enacted	June 9, 2023	On February 22, 2023, the UK Supreme Court published its judgment in <i>News Corp</i> in which it confirmed HMRC's position that digital publications could not be zero-rated before the law changes effective May 1, 2020.	332
				On June 8, 2023, HMRC published Revenue and Customs Brief 6 (2023) providing an update on the VAT treatment of sales of digital newspapers and other digital publications before May 1, 2020 following the UK Supreme Court decision in <i>News Corp</i> . HMRC stated it intends to write to organizations that have submitted claims for overpaid VAT based on the Upper Tribunal decision in <i>News Corp</i> (UT/2018/0046) to confirm whether they intend to proceed with their appeals given the Supreme Court decision.	
	✓	Enacted	August 23, 2023	On August 23, 2023, the UK's First-tier Tribunal held in <i>All Answers Ltd.</i> that a platform company facilitating the sale of academic papers, was acting as a principal, not an agent, for VAT purposes and was therefore liable to collect VAT on the sale of the academic papers and not only on its intermediation services.	333
	✓	Enacted	December 15, 2023	On December 15, 2023, the UK First-Tier Tribunal ruled in <i>Bolt Services UK Ltd.</i> that ride-sharing services are eligible for the VAT regime applicable to travel agencies and tour operators, known as the tour operators' margin scheme (TOMS), due to their similarity to services offered by these entities.	334
	●	Announced	January 26, 2024	The UK tax authority recently began contacting UK VAT-registered businesses selling goods through online marketplaces to verify whether they are established in the UK. In particular, the tax authority has been contacting businesses registered at their agent's address, or a service office contacted to provide evidence of their UK establishment or to confirm their status as a non-established taxpayer (NETP). The initiative aims to ensure correct VAT administration by online marketplaces, as VAT should be withheld by these platforms on sales made by NETPs and remitted directly to HMRC.	335
United States	✓	Enacted	September 1, 2019	Under state-level rules, remote sellers are required to collect and remit tax on sales made to in-state customers if they meet the state specified sales thresholds (often \$100,000 in sales or 200 transactions). Economic nexus rules affect all companies exceeding the state-specific sales threshold, including those not resident in the U.S. Depending on the state, the seller may also be required to collect tax on sales of services and digital goods, in addition to sales of tangible property. Additionally, all states with a sales tax require electronic marketplaces that meet the specified sales threshold to collect tax on sales they facilitate. Generally, a marketplace is defined as an entity that advertises products for sale by others and that collects payment from the customer, but state definitions differ.	336

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✓ *Enacted*
● *Proposed / Announced*
✗ *Proposal rejected*

Country	Status	Latest development	Brief description	Cite
Uruguay	✓ Enacted	July 27, 2018	Effective January 1, 2018, non-resident providers of audio-visual services and intermediation services to customers (B2C and B2B) in Uruguay are required to register for and collect VAT, regardless of the sales amount.	337
Uzbekistan	✓ Enacted	January 1, 2020	Effective January 1, 2020, Uzbekistan requires non-resident vendors (including online platforms) of digital services to consumers (B2C) in Uzbekistan to register for and collect VAT, regardless of the sales amount.	338
Vietnam	✓ Enacted	May 3, 2022	<p>Effective January 1, 2022, Vietnam requires non-resident vendors of digital services to customers (B2C and B2B) in Vietnam to register for and collect VAT, regardless of the sales amount.</p> <p>On April 28, 2022, the Vietnamese General Directorate of Taxation (GDT) published a letter on its website requesting that foreign providers promptly complete all procedures and fulfil obligations as prescribed by law, if they have not done so already.</p> <p>On November 21, 2022, Vietnam published a list of foreign providers registered for tax in Vietnam. As of date of publication of the list, 39 companies are registered for tax purposes.</p>	339
Zambia	✓ Enacted	March 21, 2024	Effective April 1, 2024, Zambia requires non-resident vendors of digital services (including online platforms) to customers (B2C and B2B) in Zambia to register for and collect VAT, regardless of the sales amount.	340
Zimbabwe	✓ Enacted	January 20, 2020	Effective January 1, 2020, Zimbabwe requires non-resident vendors of digital services to customers (B2C and B2B) in Zimbabwe to register for and collect VAT if their sales exceed ZWD 1 million.	341

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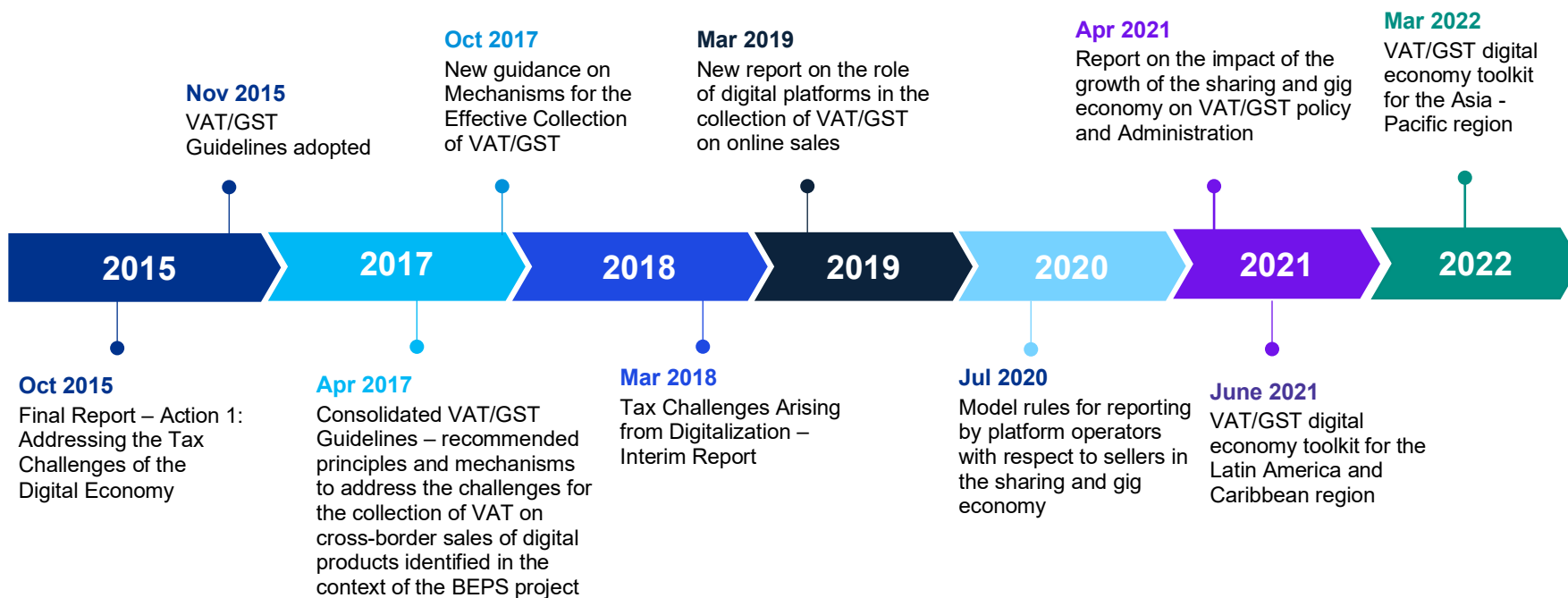
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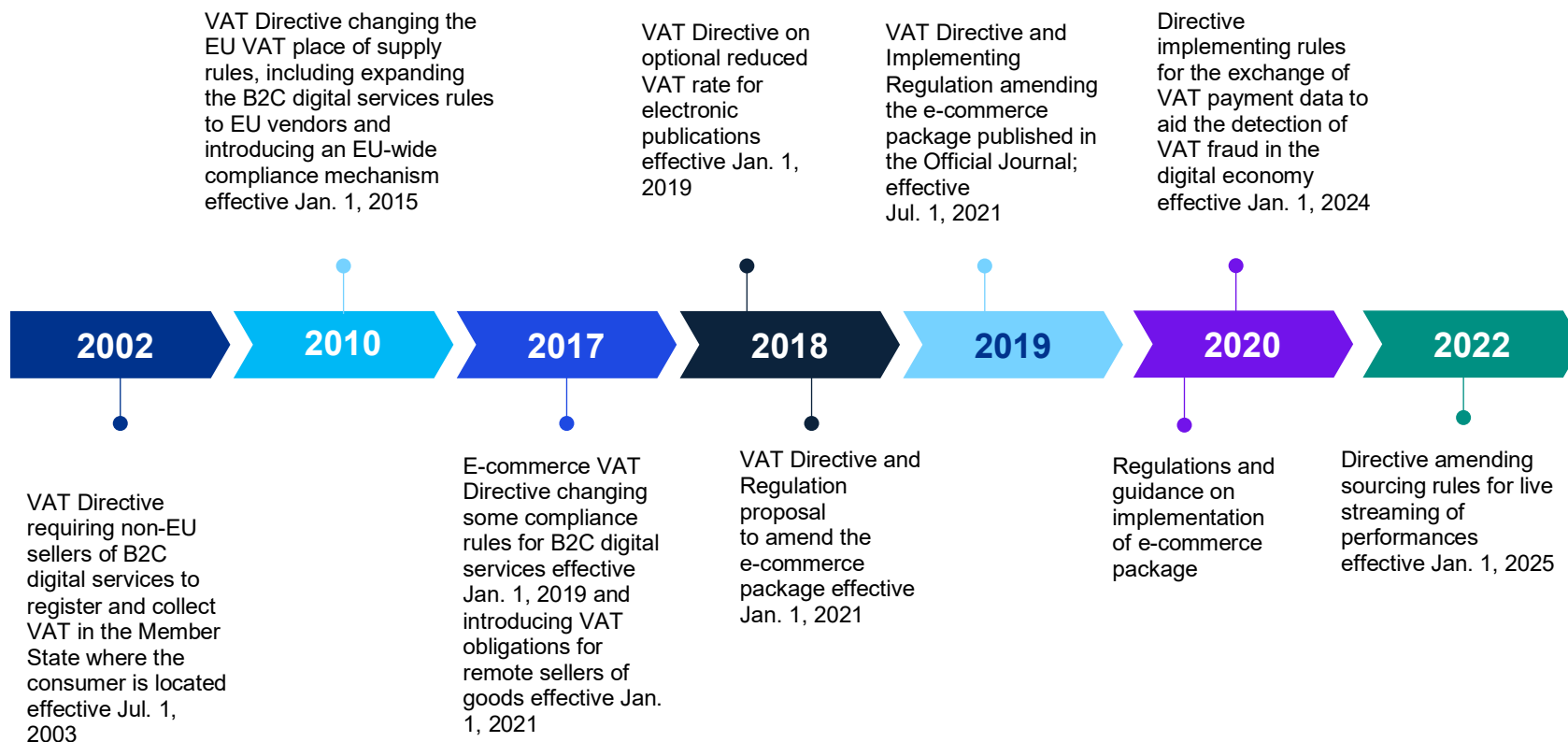
Taxation of the digitalized economy – indirect taxes

OECD Milestones – Indirect taxes



Taxation of the digitalized economy – indirect taxes

EU Milestones – Indirect taxes



Taxation of the digitalized economy

Information Reporting Requirements

Information reporting requirements

Background/Introduction

The digitalization of the economy, especially with the advent of the gig and sharing economy, has created situations where taxable transactions may go undetected by tax authorities for direct tax and indirect tax purposes. Thus, more countries are beginning to impose information reporting obligations on platforms/intermediaries to report taxable activities. The purpose of these rules is to promote tax transparency and, in some cases, cooperation mechanisms between tax authorities.

Summary chart of information reporting requirements that impact the digital economy

Impacted Sector(s)	Reporting Requirement	Summary	Status
Digital Platforms	The OECD Model Rules for Reporting by Platform Operators with respect to Sellers in the Sharing and Gig Economy (Model rules)	The OECD Model rules require digital platforms to report on the income realized by those offering accommodation, transportation, and personal services, as well as those selling goods, through platforms and to report the information to tax authorities.	As of February 15, 2023, 25 countries have signed the multilateral competent authority agreement (MCAA) for the automatic exchange of information under the rules. These are: Argentina Belgium, Bulgaria, Canada, Colombia, Costa Rica, Croatia, Cyprus, Estonia, Finland, Iceland, Ireland, Latvia, Luxembourg, Malta, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, United Kingdom.
	EU’s Council Directive (EU) 2021/514(DAC7)	Under DAC7, digital platform operators located both inside and outside the EU are required to report income earned by sellers on sales of goods, accommodation, personal services, and transportation services on their platforms. EU Member States are required to automatically exchange this information.	EU member states were required to transpose the Directive into their local legislation by December 31, 2022. The Directive applies from January 1, 2023, throughout the EU, and the first reporting of data will be required by January 31, 2024.

Taxation of the digitalized economy – information reporting requirements

Impacted Sector(s)	Reporting Requirement	Summary	Status
	Australia's Sharing Economy Reporting Regime (SERR)	The SERR imposes an information collection obligation on Electronic Distribution Platforms (EDP). An EDP is a service that allows sellers to make supplies available to buyers (for example, guests booking accommodation or passengers booking car rides), and is delivered via electronic communication. The rules apply to any platform regardless of residence provided that the transactions are connected with Australia, within the meaning of the GST law	The rules are effective from July 1, 2023, if the transaction consists of short-term accommodation or taxi services (including ride sharing); or from July 1, 2024, for all other reportable transactions.
Crypto exchanges and intermediaries	OECD's Crypto Asset Reporting Framework (CARF)	The CARF provides for the reporting of tax information on transactions in Crypto-Assets in a standardized manner, with a view to automatically exchanging such information. It covers assets created, held, or transferred using decentralized technology, including stable coins, derivatives, and certain non-fungible tokens. Reporting Crypto-Asset Service Providers (RCSPs) must report four types of relevant transactions, including exchanges between crypto-assets and fiat currencies, and transfers of crypto-assets.	Coordinated implementation timelines for the CARF will be agreed to at a future date
	EU's Tax Transparency rules for crypto-asset transactions (DAC8)	The DAC 8 proposal would require reporting crypto-asset service providers (RCASPs) to report on reportable transactions and transfers involving crypto assets and e-money. The proposal aligns with the EU's Regulation on Markets in Crypto-Assets (MiCA) and covers both domestic and cross-border exchanges and transfers of reportable crypto-assets, including non-fungible tokens (NFTs)	EU Member States would need to transpose the Directive into national law by December 31, 2025. The rules would then become applicable from January 1, 2026 (with some exceptions).

Taxation of the digitalized economy – information reporting requirements

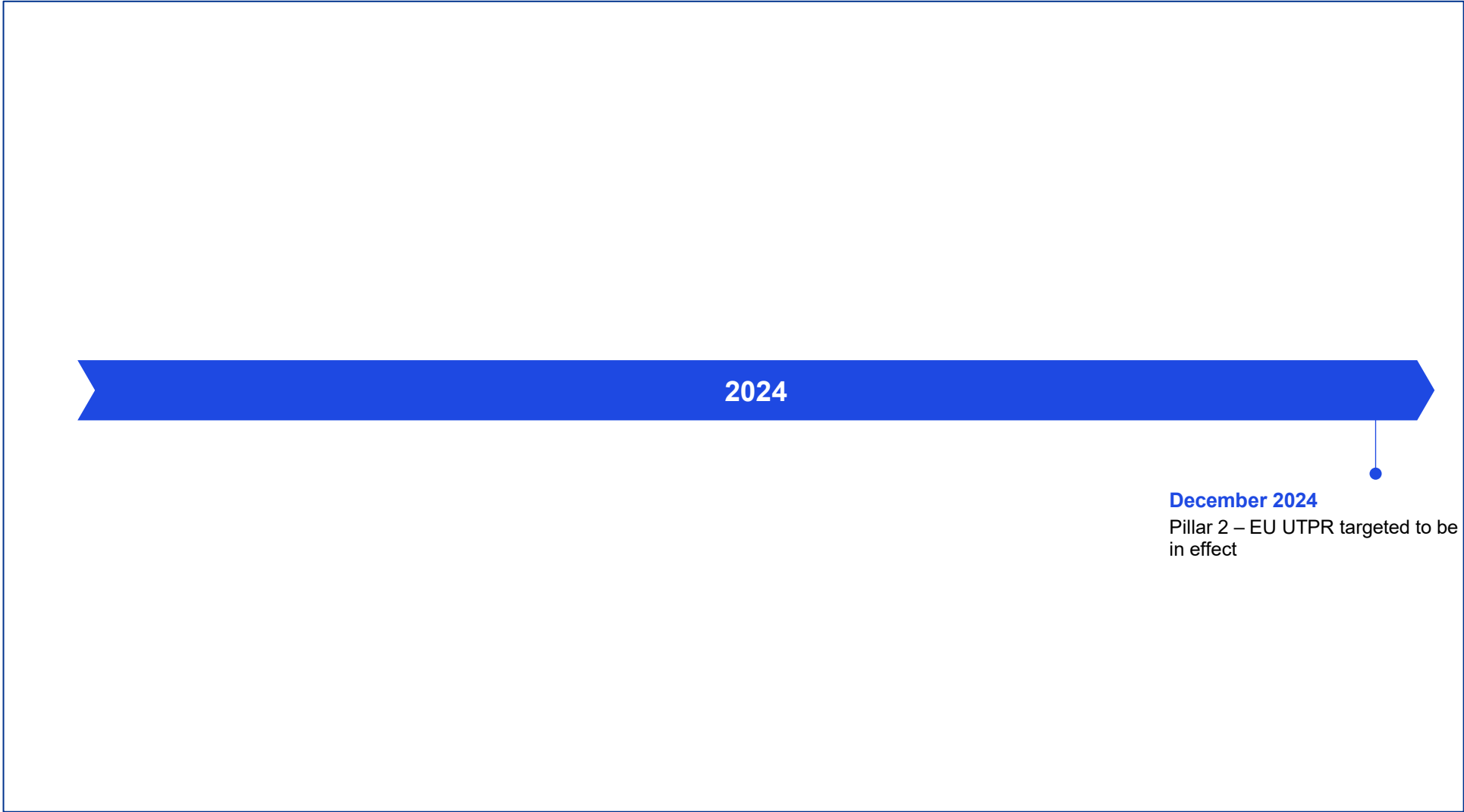
Impacted Sector(s)	Reporting Requirement	Summary	Status
Payment Services Providers (PSP)	EU information reporting requirement for payment service providers.	The PSP reporting rules require EU-established PSPs to transmit information on cross-border payments originating in EU Member States and on the beneficiary (the payee) of these cross-border payments. Under these rules, PSPs offering payment services in the EU must monitor the payees of cross-border payments and transmit information on those who receive more than 25 cross-border payments per quarter to the EU Member State's administration. This information is intended to be centralized in a European database, the Central Electronic System of Payment Information, (CESOP).	Reporting obligation is on a quarterly basis as from Q1 2024, with the first reporting due by April 30, 2024.

Taxation of the digitalized economy

What's next?

What's next?

Upcoming OECD, EU and G20 meetings where discussion on the taxation of the digitalized economy is anticipated





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