



# Taxation of the digitalized economy

## **Developments summary**

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# Taxation of the digitalized economy

## Direct taxes

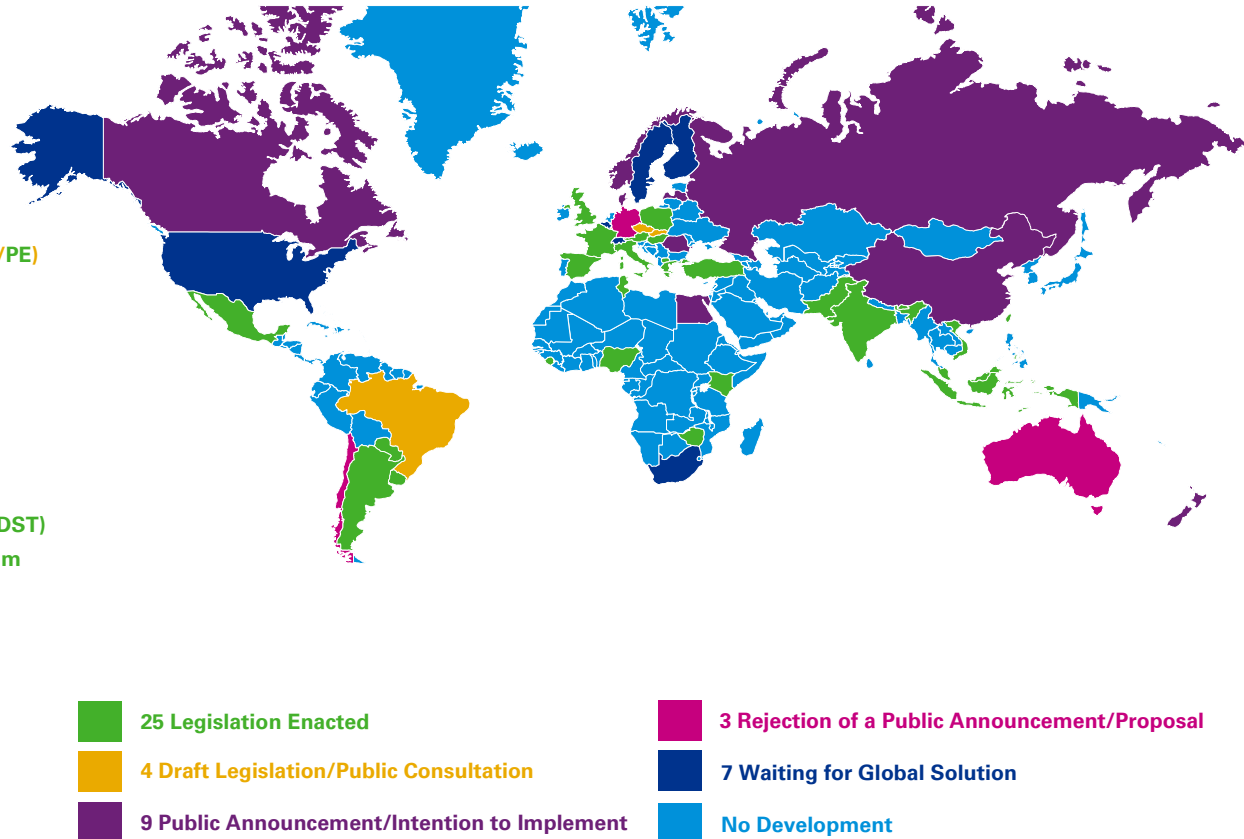




## Direct taxes

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

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



To learn more about Taxation of the digitalized economy [read.kpmg.us/digital-economy](https://read.kpmg.us/digital-economy)



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## Summary chart of certain enacted or proposed direct taxes

✓ Enacted		● Proposed/Intention		✗ Proposal rejected/Waiting for Global Solution	
Country	Status	Effective date	Type	Rate	Applicable tax base
Argentina	✓ Enacted	December 15, 2020	DST	5% - 10% - 15%	Bets made through a digital platform in or from Argentina.
Austria	✓ Enacted	January 1, 2020	DST	5%	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%	Revenues from: <ol style="list-style-type: none"> <li>Selling advertising space on a digital platform targeted at its users</li> <li>Selling user data generated from user activities on a digital platform</li> <li>Providing digital intermediation services to users of a digital platform by facilitating the exchange of supplies of goods or services between those users</li> </ol>
Brazil	● Proposed	TBD	DST	1% - 3% - 5%	Gross revenue from: <ol style="list-style-type: none"> <li>Advertising to Brazilian users</li> <li>Making available a digital platform that permits users to interact with the objective of the sale of goods or services directly between such users if one user is located in Brazil</li> <li>Transfer of data from users located in Brazil collected during the use of digital platform or generated by these users</li> </ol>



<div> <span>✓</span> <i>Enacted</i> <span>●</span> <i>Proposed/Intention</i> <span>✗</span> <i>Proposal rejected/Waiting for Global Solution</i> </div>						
Country	Status	Effective date	Type	Rate	Applicable tax base	
					Gross revenue from:	
	● Proposed	TBD	DST	3%	<ol style="list-style-type: none"> <li>the display of advertisements on a digital platform for users located in Brazil;</li> <li>making available digital platforms that allow users to contact and interact with each other for the purpose of selling goods or providing services directly between each other, provided that one of the users is located in Brazil; and</li> <li>the transmission of data from users located in Brazil, which has been generated by such users or collected while they were using the digital platforms.</li> </ol>	
					Revenues from targeted advertising services and digital intermediation services. Similar to the French DST, so revenues from:	
Canada	● Intention	2022	DST	3%	<ol style="list-style-type: none"> <li>Provision of a digital interface enabling users to enter into contacts and to interact with others ("intermediary services"); and</li> <li>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")</li> </ol>	
Costa Rica	✓ Enacted	November 19, 2019	General income tax on digital tourist rental services income	NA	Income from provision of tourist rental services via digital platforms	



<div> <span>✓</span> <i>Enacted</i> <span>●</span> <i>Proposed/Intention</i> <span>✗</span> <i>Proposal rejected/Waiting for Global Solution</i> </div>					
Country	Status	Effective date	Type	Rate	Applicable tax base
<b>Czech Republic</b>	● Proposed	TBD	DST	7% but may be reduced to 5%	Receipts from the following sources:
		Expected to be 2021			<ol style="list-style-type: none"> <li>targeted advertising on a digital interface;</li> <li>the transmission of data about users and generated from users' activities on digital interfaces; and</li> <li>the making available to users a multi-sided digital interface which may facilitate the provision of supplies of goods and services among users</li> </ol>
<b>France</b>	✓ Enacted	1/1/2019	DST	3%	Portion of taxable services income related to France after application of the "French digital presence" ratios to the corresponding worldwide digital services receipts:
		but 2020 DST collection has been delayed to the end of 2020			<ol style="list-style-type: none"> <li>Provision of a digital interface enabling users to enter into contacts and to interact with others ("intermediary services").</li> <li>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")</li> </ol>
<b>Greece</b>	✓ Enacted	July 16, 2019	General income tax on digital short-term rental services income s	NA	Income from short-term rentals in the sharing economy through digital platforms





✓ Enacted		● Proposed/Intention		✗ Proposal rejected/Waiting for Global Solution		
Country	Status	Effective date	Type	Rate	Applicable tax base	
Hungary	✓	Enacted	July 1, 2017	DAT	7.5%, although the tax rate reduced to 0%, effective from July 1, 2019 through December 31, 2022	Net turnover for the financial year generated by the broadcasting or publication of advertisements in Hungary
	✓	Enacted	April 1, 2022	Digital PE		Revenue related to the digital PE
	✓	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		Gross amount of online advertising payments
India		Enacted				1. Online sale of goods owned by the e-commerce operator
	✓		April 1, 2020	Equalisation Levy		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
	✓	Enacted	March 31, 2020	Electronic Transaction Tax	TBD	Imposed on e-commerce sales, when the digital PE cannot be applied due to the provision of a Tax Treaty
Israel	●	Intention	TBD	DST	3% or 5%	TBD - it should be modelled on the French DST



<div> <span>✓</span> <i>Enacted</i> <span>●</span> <i>Proposed/Intention</i> <span>✗</span> <i>Proposal rejected/Waiting for Global Solution</i> </div>						
Country	Status	Effective date	Type	Rate	Applicable tax base	
	✓ Enacted	April 12, 2016	Digital PE	NA	Revenue related to the digital PE	
					Gross revenue derived from:	
					1. Advertising on a digital interface;	
					2. A multilateral digital interface that allows users to buy/sell goods and services; and	
					3. The transmission of user data generated from using a digital interface.	
Italy	✓ Enacted	January 1, 2020	DST	3%	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	



<div> <span>✓</span> <i>Enacted</i> <span>●</span> <i>Proposed/Intention</i> <span>✗</span> <i>Proposal rejected/Waiting for Global Solution</i> </div>						
Country	Status	Effective date	Type	Rate	Applicable tax base	
					Gross revenue from: <ol style="list-style-type: none"> <li>1. Streaming and downloadable services of digital content, including but not limited to movies, videos, music, applications, online games and e-books;</li> <li>2. Transmission of data collected about users which has been generated from such users' activities on a digital marketplace, however monetized;</li> <li>3. Provision of a digital marketplace, website or other online applications that link buyers and sellers;</li> <li>4. Subscription-based media including news, magazines and journals; electronic data management including website hosting, online data warehousing, file-sharing and cloud storage services;</li> <li>5. Supply of search-engine and automated helpdesk services including supply of customized search engine services.</li> </ol>	
	✓ Enacted	January 1, 2021	DST	1.5%	Tickets bought for live events, theatres, restaurants etc. purchased through the internet: <ol style="list-style-type: none"> <li>6. Online distance teaching via pre-recorded medium or eLearning, including online courses; and</li> <li>7. Any other service provided or delivered through an online digital or electronic platform excluding any service whose payment is subject withholding tax under section 35 of the ITA.</li> </ol>	
<b>Latvia</b>	● Intention	TBD	DST	3%	TBD - DST revenue - (specifics yet to be determined)	



<div> <span>✓</span> <i>Enacted</i> </div>		<div> <span>●</span> <i>Proposed/Intention</i> </div>		<div> <span>✗</span> <i>Proposal rejected/Waiting for Global Solution</i> </div>		
Country	Status	Effective date	Type	Rate	Applicable tax base	
Malaysia	✓ Enacted	May 13, 2019	WHT	Variable	<p>Generally, income tax is imposed on the income of any person accruing in or derived from Malaysia.</p> <p>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.</p>	
Mexico	✓ Enacted	June 1, 2020	WHT	Variable	<p>Payments for non-residents for certain digital services such as downloads or access to images, movies, text, information, video, audio, music, games (including gambling), other multimedia content, multiplayer environments, mobile tones, online news, traffic information, weather forecasts and statistics, online clubs, dating websites, long-distance teaching or testing</p>	
Nigeria	✓ Enacted	February 3, 2020	Digital PE	NA	Revenue related to the digital PE	
Pakistan	✓ Enacted	July 1, 2018	WHT	5%	<p>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</p>	



✓ Enacted		● Proposed/Intention		✗ Proposal rejected/Waiting for Global Solution		
Country	Status	Effective date	Type	Rate	Applicable tax base	
Paraguay	✓	Enacted	January 1, 2021	Non-resident Tax (INR)	15%	Income net of VAT from the provision of the following digital services by foreign suppliers:
						1. Digital distribution of multimedia content (games, movies, music, videos, among others)
						2. Data processing and storage in general, and the provision, development, or updating of software or applications in general
						3. Cable and satellite television
						4. Marketing and advertising
						5. Games of luck, chance, bets and the like
Poland	✓	Enacted	July 1, 2020	DST	1.5%	Gross revenue of on demand provider resulting from:
						1. access to audio-visual media service and
Sierra Leone	✓	Enacted	TBD	DST	1.5%	2. audio-visual commercial communication
						Turnover of all digital and electronic transactions
Slovakia	✓	Enacted	January 1, 2018	WHT	5%	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
						Gross revenue from:
Spain	✓	Enacted	January 16, 2021	DST	3%	1. Digital intermediation services
						2. Digital advertising services
						3. Sale of user data generated through a digital interface



✓ Enacted		● Proposed/Intention		✗ Proposal rejected/Waiting for Global Solution		
Country	Status	Effective date	Type	Rate	Applicable tax base	
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 serious, music and online platform services	
Thailand	● Proposed	TBD	WHT	5%	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%	Detailed requirement to be determined by decree.	
Turkey	✓ Enacted	January 1, 2019	WHT	15%	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% but the President can reduce to 1% or increase to 15%	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	
	✓ Enacted	April 1, 2020	DST	2%	Revenue in excess of 25 million pounds derived from UK users from three types of digital activities: 1. Social media platforms 2. Internet search engine 3. Online marketplace	
Uruguay	✓ Enacted	January 1, 2018	General income tax on digital services income	NA	Income of non-residents from services related to businesses involved in the digital economy in Uruguay.	



<div> <div>✓ Enacted</div> <div>● Proposed/Intention</div> <div>✗ Proposal rejected/Waiting for Global Solution</div> </div>						
Country	Status	Effective date	Type	Rate	Applicable tax base	
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%	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

<span>✓</span> <i>Enacted</i> <span>●</span> <i>Proposed/Announced</i> <span>✗</span> <i>Proposal rejected/Waiting for Global Solution</i>				
Country	Status	Latest development	Brief description	Cite
ATAF	● Announced	October 11, 2020	<p>The African Tax Administration Forum (ATAF) has announced the publication of 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% to 3%, with a suggested scope of revenue that includes the following:</p> <ul style="list-style-type: none"> <li>– Digital services revenue attributable to [Implementing Country] arising from online advertising services;</li> <li>– Digital services revenue attributable to [Implementing Country] arising from data services;</li> <li>– 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;</li> <li>– 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];</li> <li>– Digital services revenue derived from users, no matter where located, in respect to the facilitation of vehicle hire services which commence in [Implementing Country];</li> <li>– Digital services revenue derived from users located in [Implementing Country] arising from digital content services, online gaming services, and cloud computing services; and</li> <li>– Digital services revenue attributable to [Implementing Country] arising from any other digital services.</li> </ul> <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>	1





		✓ Enacted	● Proposed/Announced	✗ Proposal rejected/Waiting for Global Solution		
Country	Status	Latest development		Brief description	Cite	
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 nonresident persons. The tax generally applies at a rate of 30%, but digital services are taxed at the lower rate of 8%. While like a DST it applies to the acquisition of goods and services from nonresident 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% tax is imposed on bets made through a digital platform in or from Argentina. The standard tax rate is increased to 10% where a non-resident participates directly or indirectly in the exploitation of the gambling platform and to 15% where the non-resident is in a non-cooperative or low/no tax jurisdiction.	3	
Australia	✗	Announced	March 20, 2019	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.	4	



 Enacted		 Proposed/Announced		 Proposal rejected/Waiting for Global Solution	
Country	Status		Latest development	Brief description	Cite
Austria	 Enacted		February 24, 2020	<p>The Austrian DST is imposed effective from January 2020 at a rate of 5% on the turnover from advertising services rendered by service providers in Austria with i) global turnover 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 advertisement addresses Austrian users. The Government also gazetted the implementing regulation, which applies from January 2020, and published guidance for taxpayers.</p> <p>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>	5



<span>✓</span> <i>Enacted</i> <span>●</span> <i>Proposed/Announced</i> <span>✗</span> <i>Proposal rejected/Waiting for Global Solution</i>				
Country	Status	Latest development	Brief description	Cite
Belgium	✗	Waiting for Global Solution October 2, 2020	<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"> <li>– Proposal 1: 3% 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);</li> <li>– 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.</li> </ul> <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"> <li>– 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.</li> <li>– Belgium will support the implementation of a minimum tax (Pillar Two of BEPS 2.0).</li> <li>– The government supports the implementation of the OECD recommendations in EU law.</li> </ul>	6



<span>✓</span> <i>Enacted</i> <span>●</span> <i>Proposed/Announced</i> <span>✗</span> <i>Proposal rejected/Waiting for Global Solution</i>				
Country	Status	Latest development	Brief description	Cite
Brazil	● Proposed	May 4, 2020	<p>A draft law submitted to the House of Representatives would introduce a DST on digital revenue from: i) advertising to Brazilian users; ii) making available a digital platform that permits users to interact with the objective of the sale of goods or services directly between such users if one user is located in Brazil; and iii) transfer of data from users located in Brazil collected during the use of a digital platform or generated by these users. The tax would apply to legal entities domiciled in Brazil or abroad with previous-year global revenues exceeding R\$ 3 billion and with gross revenue in Brazil that exceeds R\$ 100 million. Brazil's DST will be levied progressively, with 1% levied on amounts up to R\$ 150 million; 3% on amounts exceeding R\$ 150 million and under R\$ 300 million; and 5% on the amount exceeding R\$ 300 million.</p> <p>Under the proposed law, digital content is defined as any data provided digitally, such as software, applications, music, video, texts, games, electronic files, and similar types of files. A digital platform is an internet or electronic application that enables the electronic transmission of digital data, or that lets users interact with each other. A digital user located in Brazil is defined as any user that accesses the digital platform within a physical device located in Brazil. IP will be used to determine location.</p> <p>The preamble to the Brazilian legislation acknowledges that the best solution will undoubtedly be an international solution, and that the DST will be abolished when an international solution is reached. It is unclear at this point whether or not the DST proposal will pass as it is part of a broader collection of BEPS-related reforms and Brazil, which is hoping to soon join the OECD, will probably follow the OECD approach instead of moving forward with unilateral measures.</p>	7



<span>✓</span> <i>Enacted</i> <span>●</span> <i>Proposed/Announced</i> <span>✗</span> <i>Proposal rejected/Waiting for Global Solution</i>				
Country	Status	Latest development	Brief description	Cite
			<p>A legislative proposal Bill No. 131/2020 would introduce a separate COFINS (i.e., contribuição para o financiamento da seguridade social, which refers to a social contribution program for social security financing) for entities in the digital economy sector. The proposal (COFINS-Digital) would, if enacted, apply to the gross monthly revenue earned in relation to digital services from:</p> <ul style="list-style-type: none"> <li>– Electronic communications and digital interface that allows interaction between users with regard to the delivery of goods or provision of services</li> <li>– Marketing to advertisers or agents for placing targeted advertising messages on a digital interface based on user data</li> </ul>	
	<span>●</span> Proposed	July 7, 2020	<p>Under the proposal, the COFINS-Digital rate would be 10.6% on the revenues earned in relation to the subject activities, which would represent an increase of 3% over the COFINS rate applicable in the non-cumulative PIS / COFINS regime. COFINS-Digital taxpayers would be entities, regardless of the location of their establishment, that cumulatively recognize monthly revenue:</p> <ul style="list-style-type: none"> <li>– Greater than U.S. \$20 million (or the equivalent in another currency) for services provided worldwide (annualized at U.S. \$240 million per year), and</li> <li>– Greater than R \$ 6.5 million in Brazil (or R \$ 78 million a year)</li> </ul> <p>The bill is subject to legislative action and evaluation by the Senate Plenary. It will be submitted to all legislative processes before being approved and enacted.</p>	8



		✓ Enacted	● Proposed/Announced	✗ Proposal rejected/Waiting for Global Solution		
Country	Status	Latest development		Brief description		Cite
				On August 19, 2020, a bill was submitted to the Chamber of Deputies. The bill would create a contribution on digital services ( <i>Contribuição Social sobre Serviços Digitais</i> , CSSD) to be levied on gross revenue derived by resident and non-resident companies from digital services targeting the Brazilian market, provided that they belong to a group with annual global revenue exceeding BRL 4.5 billion.		
	● Proposed	August 24, 2020		<p>The CSSD would be levied upon the receipt of revenue from:</p> <ul style="list-style-type: none"> <li>– the display of advertisements on a digital platform for users located in Brazil;</li> <li>– making available digital platforms that allow users to contact and interact with each other for the purpose of selling goods or providing services directly between each other, provided that one of the users is located in Brazil; and</li> <li>– the transmission of data from users located in Brazil, which has been generated by such users or collected while they were using the digital platforms.</li> </ul> <p>Users accessing digital platforms on devices physically located in Brazil will be considered users located in the country.</p> <p>The CSSD would be levied at a 3% rate. The CSSD must be paid by the 10th day of the month following that in which the taxable event takes place.</p>		9
<b>Cambodia</b>	● 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 signaled 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



<span>✓</span> <i>Enacted</i> <span>●</span> <i>Proposed/Announced</i> <span>✗</span> <i>Proposal rejected/Waiting for Global Solution</i>					
Country	Status		Latest development	Brief description	Cite
<b>Canada</b>	●	Announced	November 30, 2020	<p>Subsequent to the election, the government has indicated an intent to introduce a federal 3% DST on the income of certain sectors of the digital economy, which would replicate the French DST. Although the policy is described as a tax on income, it is our understanding that the tax is actually a tax on revenues. The tax would only apply to targeted advertising services and digital intermediation services where the worldwide revenues of the business are at least \$1 billion and Canadian revenues are more than \$40 million.</p> <p>Since the election, some government officials have indicated that Canada should wait for the OECD to obtain global consensus for a solution for taxation on the digital economy before moving ahead with any unilateral measures.</p> <p>During a speech in the House of Commons on November 30, 2020, the Finance Minister has stated that Canada will act unilaterally to apply a tax on large multinational digital corporations if work at the OECD fails to produce a consensus. A tax on digital companies would be effective from January 1, 2022, until a multilateral approach is implemented. Canada would prefer a coordinated international approach, but the government is concerned about the delay in arriving at consensus.</p>	11
<b>Chile</b>	✗	Proposal rejected	January 14, 2020	The August 2018 proposal to introduce a 10% digital tax on digital services provided by foreign platforms was abandoned.	12
<b>China</b>	●	Announced	December 17, 2020	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.	13
<b>Costa Rica</b>	✓	Enacted	November 19, 2019	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. Among other obligations: a) intermediaries shall 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 whether are domiciled in Costa Rica or not.	14



		✓ Enacted	● Proposed/Announced	✗ Proposal rejected/Waiting for Global Solution		
Country	Status	Latest development		Brief description		Cite
<b>Czech Republic</b>	● Proposed	October 9, 2020		<p>The Government submitted to the Parliament the final bill which would introduce a 7% 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 100 M. Companies whose revenues from digital services do not exceed 10% 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.</p> <p>However, the coalition parties submitted a proposal in June 2020 to reduce the rate of the draft DST from 7% to 5% 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>		15
<b>Denmark</b>	● Announced	January 27, 2020		<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.</p> <p>However, the Danish Prime Minister has recently announced Denmark's support to an EU-wide agreement on the DST controversy in case a global consensus is not reached.</p>		16





<span>✓</span> <i>Enacted</i> <span>●</span> <i>Proposed/Announced</i> <span>✗</span> <i>Proposal rejected/Waiting for Global Solution</i>				
Country	Status	Latest development	Brief description	Cite
<b>Egypt</b>	● Announced	September 21, 2019	In his 2020 draft budget proposal, the Egyptian Ministry of Finance announced plans to strengthen measures for the taxation of the digital economy.	17



## European Union



Announced

January 14, 2021

The EU Commission welcomed the OECD's blueprints for a two-pillar proposal as a "solid basis for further negotiations", according to commission spokesperson Daniel Ferrie, who spoke to reporters during an October 13 press briefing. However, he also said the EU can't wait beyond the middle of 2021 to proceed with its plan to ensure fair taxation of large digital companies.

EU Council President Charles Michel has informed EU leaders that he will organize a summit on digital issues, including digital taxation, on March 25 and 26, 2021. A proposal for an EU DST is expected in the first half of 2021 if OECD-level discussions on taxing the digital economy fail. It is unclear whether EU leaders will have a concrete legislative text to discuss when they meet for the digital summit.

On November 11, 2020, The Official Journal of the EU published two legislative Resolutions Nos. P8-TA (2018)0523 and P8-TA (2018)0524, proposing amendments to tax rules for profits generated by entities in the digital economy. The resolutions include measures: 1) amending corporate tax rules to establish that a company must pay a 3 % DST on taxable revenues in each EU member state where it has a significant digital presence; 2) applying the tax to companies with worldwide revenues of 750 million euros (US\$888 million) and EU revenues of 40 million euros (US\$47.3 million); and 3) detailing procedures and reporting requirements.

In a meeting on December 1, 2020, the EU ECOFIN discussed the proposal for an amendment to the Directive on administrative cooperation in the field of taxation (the DAC), on which agreement was reached at technical level. The amendment (DAC7) will allow member states' tax authorities to collect and automatically exchange information on income earned by sellers on digital platforms, from 2023 onwards.

Finance ministers of EU Member States also exchanged views on a range of international taxation issues including the OECD's work on solutions to the tax challenges of the digital economy and considered the possible way forward at international level and for the EU. The Council reinforced its support for the OECD's work, aimed at reaching a global consensus-based solution at the latest by mid-2021.

18



<span>✓</span> <i>Enacted</i> <span>●</span> <i>Proposed/Announced</i> <span>✗</span> <i>Proposal rejected/Waiting for Global Solution</i>				
Country	Status	Latest development	Brief description	Cite
Finland			On January 14, 2021, the EU Commission launched a request for comments on the Commission's initiative which aims to introduce a digital tax to address the issue of fair taxation of the digital economy. Comments can be submitted through February 11, 2021.	
	✗	Waiting for Global Solution	June 1, 2018	19
	✓	Enacted	May 20, 2020	20



<span>✓</span> <i>Enacted</i> <span>●</span> <i>Proposed/Announced</i> <span>✗</span> <i>Proposal rejected/Waiting for Global Solution</i>				
Country	Status	Latest development	Brief description	Cite
France	✓ Enacted	October 14, 2020	<p>The French DST law was signed and published in the official gazette; it is retroactively applicable as from January 1, 2019. A 3% 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 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>During an October 14 press briefing, French Finance Minister Bruno Le Maire thanked the OECD for its technical work on the two pillars and said the organization had fulfilled its role perfectly. He expressed regret that politics had gotten in the way of agreement on the two-pillar solution and said France was ready to approve the two pillars. He also confirmed that France will go ahead with plans to collect its contentious digital services tax mid-December.</p>	21



<span>✓</span> <i>Enacted</i> <span>●</span> <i>Proposed/Announced</i> <span>✗</span> <i>Proposal rejected/Waiting for Global Solution</i>					
Country	Status		Latest development	Brief description	Cite
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> <p>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.</p> <p>Germany will take on the EU Presidency starting from July 1, 2020. Sandy Radmanesh, tax attaché at the German Embassy in Washington said during the IFA webinar that "<i>Germany will strive to get everybody on board under their presidency for a global agreement, and explore all options to prevent the OECD negotiations from failing.</i>"</p>	22
Greece	✓	Enacted	July 16, 2019	<p>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.</p>	23



✓ Enacted		● Proposed/Announced		✗ Proposal rejected/Waiting for Global Solution	
Country	Status	Latest development	Brief description		Cite
Hong Kong	✓ Enacted	March 27, 2020	The Hong Kong Inland Revenue Department (IDR) on 27 March 2020 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) taken the view that in the context of e-commerce, the decisive criterion to determine the existence pf 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.	24	
Hungary	✓ Enacted	February 24, 2020	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% 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. Effective from July 1, 2017. However, as a temporary measure, the advertisement tax rate has been reduced to 0%, effective from July 1, 2019 through the December 31, 2022.	25	



✓ Enacted		● Proposed/Announced		✗ Proposal rejected/Waiting for Global Solution	
Country	Status	Latest development	Brief description		Cite
India	✓ Enacted	April 1, 2020	<p>The concept of significant economic presence was originally introduced in 2018 under the Indian domestic tax laws. The provisions aimed to establish a business connection of non-residents in India, subject to prescribed thresholds. Accordingly, any income attributable to such SEP was to be taxed in India. However, considering the restrictive definition of PE in the tax treaties, the insertion of SEP under domestic tax laws did not have any practical impact. 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 taxation of cross border profits.</p> <p>The Finance Act 2020 has provided for: (i) a deferral of the definition of significant economic presence to April 1, 2022, 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 Indian customers, income from the sale of data collected from India, and income from sale of goods and services using such data collected from India, which will take effect from April 1, 2021, although for attribution in relation to significant economic presence, the amendment will take effect from 1 April 2022.</p>		26



<span>✓</span> <i>Enacted</i> <span>●</span> <i>Proposed/Announced</i> <span>✗</span> <i>Proposal rejected/Waiting for Global Solution</i>				
Country	Status	Latest development	Brief description	Cite
	✓ Enacted	September 29, 2020	<p>Effective October 1, 2020, an e-commerce platform operator must withhold 1% 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.</p> <p>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 an individual e-commerce participants if their gross amount of sales or services through the e-commerce platform does not exceed INR 0.5 million (USD 6,800).</p> <p>On September 29, 2020, the Central Board of Direct Taxes (CBDT) issued guidelines intended to clarify the rules for tax withholding transactions with on e-commerce operators.</p>	27





Enacted

October 28, 2020

6% Equalisation Levy applies to the gross amount of specified services such as online advertising payments exceeding INR 100,000 annually from an Indian resident or a non-resident with a permanent establishment to non-residents that lack a PE in India. Effective from June 1, 2016. India's Joint Secretary of Tax Policy and Legislation has reportedly stated that India's equalization levy would be repealed if international consensus is achieved.

The Finance Act, 2020 has expanded the scope of Equalization Levy to consideration received by 'e-commerce operators' from 'e-commerce supply or services' at the rate of 2% effective April 1, 2020. 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. The 'e-commerce supply or services' on which the levy applies are:

- a) Online sale of goods owned by the e-commerce operator;
- b) Online provision of services provided by the e-commerce operator;
- c) Online sale 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);
- 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 (in respect of sale of advertisements targeted at persons resident in India or using IP address in India);
- c) a person who buys goods or services using an IP address located in India.

Excluded from the scope of levy:

- a) non-resident with a PE in India and the e-commerce supply or services are effectively connected to such PE;
- b) the services are 'specified services' and subject to 6%;
- or c) the gross receipts / turnover in respect of goods sold / services provided to residents, non-residents or persons using IP addresses in India (referred to above) does not exceed INR 2 crores in a year (approx. USD 0.2 million).

Unlike in the case of the equalisation levy on specified services where the resident payer was responsible to deduct and pay equalization levy, this levy on e-commerce operator is to be discharged by such operator itself, on a quarterly basis.

CBDT issued Notification n. 87/2020 on the Equalisation levy (Amendment) Rules, 2020, which applies effective October 28,

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		✓ Enacted	● Proposed/Announced	✗ Proposal rejected/Waiting for Global Solution		
Country	Status	Latest development		Brief description		Cite
				<p>2020. The amendments essentially adopt the existing rules for the 6% Levy, so they also apply for the new 2% Levy on e-commerce supplies or services. This includes requirements for assessors and e-commerce operators to deduct and pay the levy and to electronically file an annual return by 30 June immediately following the financial year.</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"> <li>– 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;</li> <li>– 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.</li> </ul> <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. 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>		29
Indonesia	✓	Enacted	June 8, 2020			



<span>✓</span> <i>Enacted</i> <span>●</span> <i>Proposed/Announced</i> <span>✗</span> <i>Proposal rejected/Waiting for Global Solution</i>				
Country	Status	Latest development	Brief description	Cite
Israel	● Announced	May 1, 2019	Israel's Ministry of Finance and the Israel Tax Authority are considering the introduction of a 3% to 5% tax on revenue that would be modelled on the DST being implemented in France.	30
	✓ 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.	31
Italy			The budget law 2020 was published in the Official Gazette. A 3% DST has been introduced 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.	
	✓ Enacted	January 15, 2021	The DST is effective from January 1, 2020. 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. On January 15, 2021, the Italian Government announced that the DST deadlines for the financial year 2020 have been postponed. The payment of the DST was deferred from February 16, 2021 to March 16, 2021, and the submission of the related return was postponed from March 31, 2021 to April 30, 2021.	32



		✓ Enacted	● Proposed/Announced	✗ Proposal rejected/Waiting for Global Solution		
Country	Status	Latest development		Brief description	Cite	
Kenya	✓ Enacted	December 18, 2020		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. On December 11, 2020, the Kenyan government issued regulations for the Kenyan DST, which cover both substantive and procedural rules. Notably, Kenyan DST taxpayers must register by the effective date of the law, January 2, 2021. Also of note is the scope of the Kenyan DST: for example, streaming services, digital media like music and video, and online teaching services are specifically identified by the regulations as subject to the Kenyan DST.	33	
	✓ Enacted	July 8, 2020		The Finance Act 2020, enacted by the President on June 30, 2020, has introduced effective January 1, 2021 a 1.5% DST on the gross value of services provided in Kenya through a digital market place, which will be subject to withholding and, for resident persons and non-resident persons with a PE in Kenya, will be treated as an advance tax and offset against the tax payable for a year of income. The digital marketplace is defined as a platform that enables the interaction between buyers and sellers of goods and services through electronic means. The Kenya Revenue Authority has published for consultation the proposed Income Tax (Digital Service Tax) Regulations, 2020, which confirms the expanded scope of the DST and clarifies the compliance process. Comments are due August 24, 2020 and, once finalized, the regulations will be effective on January 1, 2020.	34	
Latvia	● Announced	December 18, 2019		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% DST.	35	



<span>✓</span> <i>Enacted</i> <span>●</span> <i>Proposed/Announced</i> <span>✗</span> <i>Proposal rejected/Waiting for Global Solution</i>				
Country	Status	Latest development	Brief description	Cite
Malaysia	<span>✓</span> Enacted	May 13, 2019	<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.</p> <p>Inland Revenue updated Guidelines on e-commerce transactions 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>	36



## Mexico



Enacted

January 11, 2021

Effective June 1, 2020, digital services providers are required to withhold tax on income from certain digital services such as downloads or access to images, movies, text, information, video, audio, music, games (including gambling), other multimedia content, multiplayer environments, mobile tones, online news, traffic information, weather forecasts and statistics, online clubs, dating websites, long-distance teaching or testing. Foreign-residents 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.

The Mexican Secretariat of Finance announced that taxpayers must register for WHT in Mexico for income earned on digital platforms. A six-month grace period until July 1, 2020 has been granted to comply with the new requirements.

On July 14, 2020, the tax administration published guidance, including rules for remitting withholding tax by foreign providers of digital services in Mexico:

- 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 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. 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

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<span>✓</span> <i>Enacted</i> <span>●</span> <i>Proposed/Announced</i> <span>✗</span> <i>Proposal rejected/Waiting for Global Solution</i>				
Country	Status	Latest development	Brief description	Cite
			<p>of the tax measures of the Economic Package for 2021. Among other measures, new withholding tax rates has 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.</p> <p>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>	
<b>New Zealand</b>	●	Announced November 19, 2020	<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>New Zealand Inland Revenue has published the keynote address delivered by Minister of Revenue David Parker to the Chartered Accountants Australia and New Zealand conference on 19 November 2020. A key point concerns the taxation of the digital economy. In this regard, Minister Parker stated 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>	38



<span>✓</span> <i>Enacted</i> <span>●</span> <i>Proposed/Announced</i> <span>✗</span> <i>Proposal rejected/Waiting for Global Solution</i>				
Country	Status	Latest development	Brief description	Cite
Nigeria	✓ Enacted	May 29, 2020	<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"> <li>1. providing streaming or downloading services of digital content, such as movies, music, games, and e-books to persons in Nigeria;</li> <li>2. transmitting data collected on Nigerian user activities on a digital interface, such as websites or apps;</li> <li>3. providing goods and services directly or indirectly through a digital platform; or</li> <li>4. providing intermediary services via a digital platform, website, or app linking suppliers to customers in the Nigerian market.</li> </ol> <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 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. Hence, Tax Treaties should be revised to address this new nexus.</p>	39
Norway	● Announced	January 13, 2020	<p>The Norwegian Finance Ministry announced that Norway will introduce a unilateral measure if the OECD does not reach a consensus solution in 2020.</p>	40





		✓ Enacted	● Proposed/Announced	✗ Proposal rejected/Waiting for Global Solution		
Country	Status	Latest development		Brief description		Cite
OECD	●	Announced	December 16, 2020	<p>On October 12, 2020, the OECD released the Blueprints on Pillar One and Pillar Two, 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"> <li>– The OECD report of the Pillar One 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.</li> <li>– The OECD report of the Pillar Two 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 Two 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.</li> </ul> <p>A new economic impact analysis was also released, which shows the combined effect of the two-pillar solution under discussion. 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 December 16, 2020, the OECD published the comments received on the Reports on the Pillar One and Pillar Two Blueprints and announced that a public consultation meeting will be held virtually on 14-15 January 2021.</p>		41



<span>✓</span> <i>Enacted</i> <span>●</span> <i>Proposed/Announced</i> <span>✗</span> <i>Proposal rejected/Waiting for Global Solution</i>				
Country	Status	Latest development	Brief description	Cite
Pakistan	<span>✓</span> Enacted	May 24, 2018	A 5% withholding tax has been introduced 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. Effective from July 1, 2018.	42



## Paraguay



Enacted

December 28, 2020

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% 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. 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.

Paraguay published General Resolution No. 76-20, which provides for the implementation of the INR withholding on digital services with effect from 1 January 2021. The General Resolution also specifies the types of digital services affected 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.

The list may be updated, in which case it will be published on the website [www.set.gov.py](http://www.set.gov.py).

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

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✓ Enacted		● Proposed/Announced		✗ Proposal rejected/Waiting for Global Solution	
Country	Status		Latest development	Brief description	Cite
				within 10 business days of beginning activities in Paraguay, with monthly declaration and payment requirements.	
Poland	✓	Enacted	June 25, 2020	Effective July 1, 2020, a new tax/fee on video on demand providers (VOD) is imposed. A 1.5% tax is calculated on gross revenue of the VOD provider resulting from access to audio-visual media service and audio-visual commercial communication. 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. The Polish Finance Minister announced that Poland will consider unilateral measures if there is not a Europe-wide approach to a digital services tax decided by the end of the year.	44
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.	45
Russia	●	Announced	October 3, 2019	According to a draft budget blueprint, the Ministry of Finance acknowledges that several countries have already introduced new digital taxation measures that will be considered as Russia is exploring new approaches to taxing digital companies.	46
Sierra Leone	✓	Enacted	January 14, 2021	Sierra Leone has introduced a new DST of 1.5% 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.	47



✓ Enacted		● Proposed/Announced		✗ Proposal rejected/Waiting for Global Solution	
Country	Status	Latest development	Brief description		Cite
Singapore	✗	Waiting for Global Solution	December 7, 2020	According to a speech on the taxation of the digital economy by the Senior Minister of State for Law and Finance, Singapore aims to: 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. 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: <ul style="list-style-type: none"><li>— taxes imposed as income tax are not deductible under section 15(1)(g) of the ITA; and</li><li>— 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.</li></ul>	48
Slovakia	✓	Enacted	March 16, 2018	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. Otherwise, Slovak taxpayers that use these digital marketplaces are required to withhold taxes at a rate of 5%.	49
	●	Announced	January 8, 2019	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.	50
Slovenia	●	Announced	February 24, 2020	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.	51



<span>✓</span> <i>Enacted</i> <span>●</span> <i>Proposed/Announced</i> <span>✗</span> <i>Proposal rejected/Waiting for Global Solution</i>				
Country	Status	Latest development	Brief description	Cite
South Africa	✗	Waiting for Global Solution August 26, 2020	National Treasury and 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.	52



✓ Enacted		● Proposed/Announced		✗ Proposal rejected/Waiting for Global Solution	
Country	Status	Latest development	Brief description		Cite
Spain	✓	Enacted	January 14, 2021	<p>The law introducing the DST was published in the Official Gazette on October 16, 2020 and will enter into force on January 16, 2021. The DST will be levied at a rate of 3% 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.</p> <p>Regulations providing for compliance requirements are expected to be released prior the effective date of the law.</p> <p>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 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>	53
Sweden	✗	Waiting for Global Solution	June 1, 2018	<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.</p>	54



✓ Enacted		● Proposed/Announced		✗ Proposal rejected/Waiting for Global Solution	
Country	Status		Latest development	Brief description	Cite
Switzerland	✗	Waiting for Global Solution	January 11, 20121	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. The Swiss Secretariat for International Finance SIF has published its annual review on international financial and tax matters for 2020. With respect to taxing the digital economy, Switzerland 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.	55
Taiwan	✓	Enacted	July 24, 2019	Effective January 1, 2017, payments for online advertisement and remunerations for e-services, such as online games, videos, audio broadcast, movie, TV serious, music and online platform services etc., supplied to Taiwan customers by foreign service providers without fixed place of business or business agent in Taiwan ("ESS providers"), are subject to the digital economy income tax regime. According to the regime, if the services recipients are domestic companies, those are required to apply a WHT on the gross amount of the payment and file withholding statements. For revenue derived from B2C sales, the ESS provider should file tax return with Taiwan tax authority to self-report its taxable income and pay the tax due.	56
Thailand	●	Proposed	May 7, 2019	The Thai government has proposed a 5% 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.	57
Tunisia	✓	Enacted	December 27, 2019	Effective January 1, 2020, a 3% digital tax applies on the sale of computer applications and digital services by non-resident companies. A decree to be issued will set out detailed requirements.	58





✓ Enacted		● Proposed/Announced		✗ Proposal rejected/Waiting for Global Solution	
Country	Status		Latest development	Brief description	Cite
Turkey	✓ Enacted		February 6, 2019	15% 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.	59
	✓ Enacted		March 20, 2020	Effective from March 1, 2020, a 7.5% DST applies on gross revenue derived from provision and management of digital services, such as advertising, supply of any 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 (approx. Euro 3.14M) in Turkey and Euro 750M (or equivalent) worldwide would be exempt. Also, the president has authority to reduce the 7.5% rate downward to 1% or to increase the rate upward to 15%. The tax administration published in the official gazette the final version communique which includes details from the tax administration about the application and scope of the DST.	60



<span>✓</span> <i>Enacted</i> <span>●</span> <i>Proposed/Announced</i> <span>✗</span> <i>Proposal rejected/Waiting for Global Solution</i>				
Country	Status	Latest development	Brief description	Cite
United Kingdom	<span>✓</span> Enacted	August 5, 2020	<p>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 hardwired sunset clause – rather, the legislation provides that the UK government will review the tax in 2025. The DST legislation provides for a 2% 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>	61



<span>✓</span> <i>Enacted</i> <span>●</span> <i>Proposed/Announced</i> <span>✗</span> <i>Proposal rejected/Waiting for Global Solution</i>				
Country	Status	Latest development	Brief description	Cite
United Nations	● Proposed	October 19 , 2020	<p>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. Article 12B is trying 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"> <li>– Online advertising services;</li> <li>– Online intermediation platform services;</li> <li>– Social media services;</li> <li>– Digital content services;</li> <li>– Cloud computing services;</li> <li>– Sale or other alienation of user data;</li> <li>– Standardized online teaching services.</li> </ul> <p>The proposal is now moving on to a subcommittee, where it will be discussed. On September 1, 2020, U.N. tax committee members have 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>The U.N. is working to finalize digital tax treaty provision by April 2021.</p>	62



<span>✓</span> <i>Enacted</i> <span>●</span> <i>Proposed/Announced</i> <span>✗</span> <i>Proposal rejected/Waiting for Global Solution</i>				
Country	Status	Latest development	Brief description	Cite
			<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"> <li>– Austria</li> <li>– Brazil</li> <li>– Czech Republic</li> <li>– European Union</li> <li>– India</li> <li>– Indonesia</li> <li>– Italy</li> <li>– Spain</li> <li>– Turkey</li> <li>– United Kingdom</li> </ul>	
<b>United States</b>	● Announced	January 14, 2021	<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% on U.S. \$1.3 billion of French products imported into the United States. However, 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>	63



✓ Enacted		● Proposed/Announced		✗ Proposal rejected/Waiting for Global Solution	
Country	Status		Latest development	Brief description	Cite
Uruguay	✓	Enacted	July 16, 2018	Services related to businesses involved in the digital economy are now subject to income tax in Uruguay even if the services provided from a foreign jurisdiction. Effective from January 1, 2018.	64
Vietnam	✓	Enacted	June 24, 2020	<p>Payments made to “non-resident e-commerce businesses” (a term to be defined) will be subject to a new withholding tax, to be collected by financial intermediaries such as banks. This WHT will apply to all designated B2C and B2B transactions. The effective date of the new e-commerce withholding tax regime in Vietnam has been postponed for six months to January 1, 2021 (originally effective as of July 1, 2020).</p> <p>Financial institutions will remain responsible for the WHT collection. The WHT rates are not statutorily prescribed and need to be determined on a case-by-case basis: the WHT to be collected consist of a VAT component, at rates of 2% - 5%, and a corporate income tax component, at rates of 1% - 10%.</p> <p>The Vietnamese government is currently developing a new centralized IT platform to specifically deal with this withholding tax collection matter.</p>	65
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% if the revenue exceeds USD 500.000 per annum.	66



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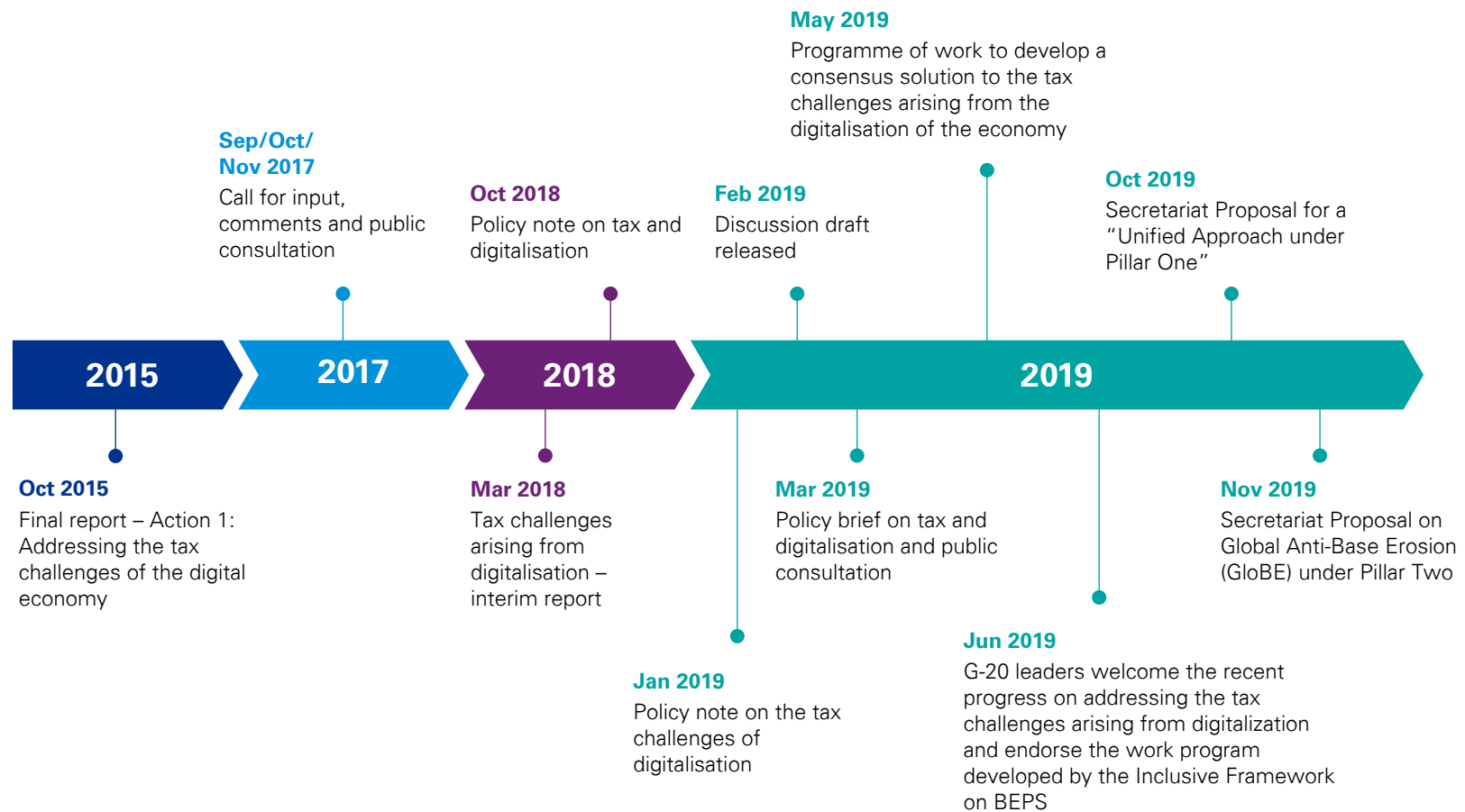


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## OECD Milestones – Direct taxes





## Jan 2020

Statement by the OECD/G20 IF on BEPS on the Two-Pillar Approach to Address the Tax Challenges Arising from the Digitalisation of the Economy

## Jul 2020

Model rules for reporting by platform operators with respect to sellers in the sharing and gig economy

2020

## Oct 2020

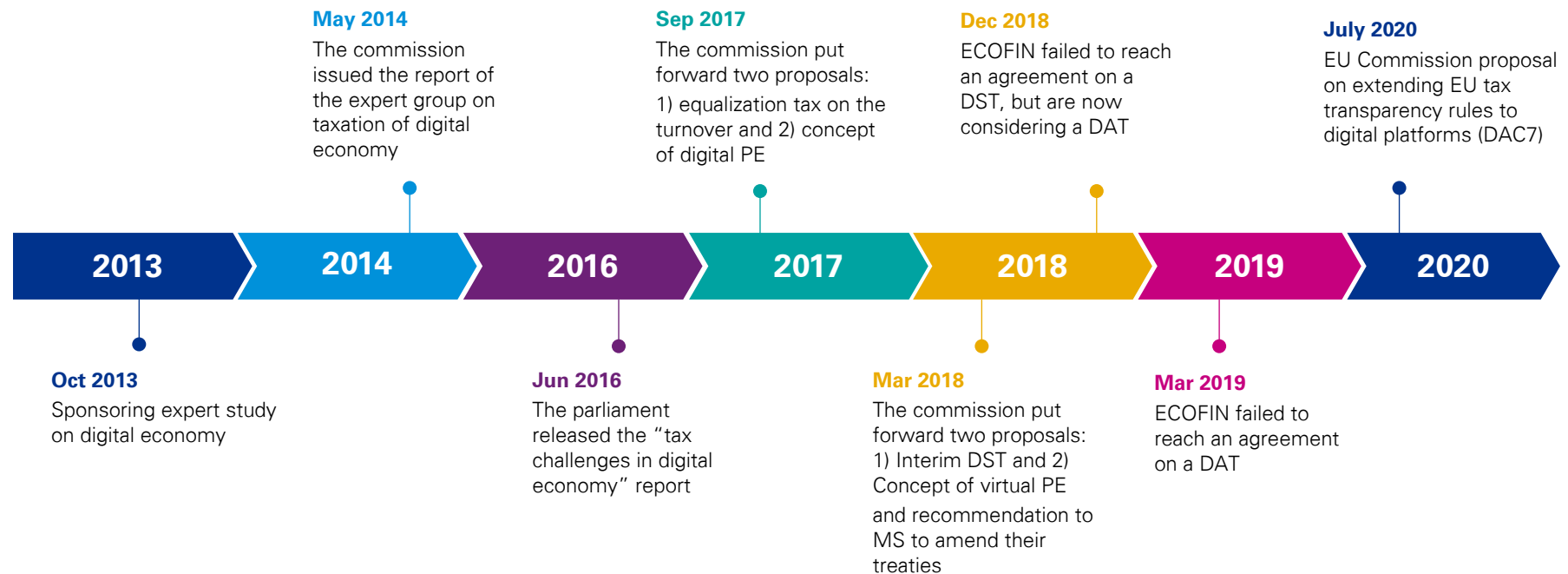
Pillar One and Pillar Two Blueprints and launch of the public consultation

## Feb 2020

Preliminary economic analysis and impact assessment of the Pillar One and Pillar Two



## EU Milestones – Direct taxes





# Taxation of the digitalized economy

## Indirect taxes

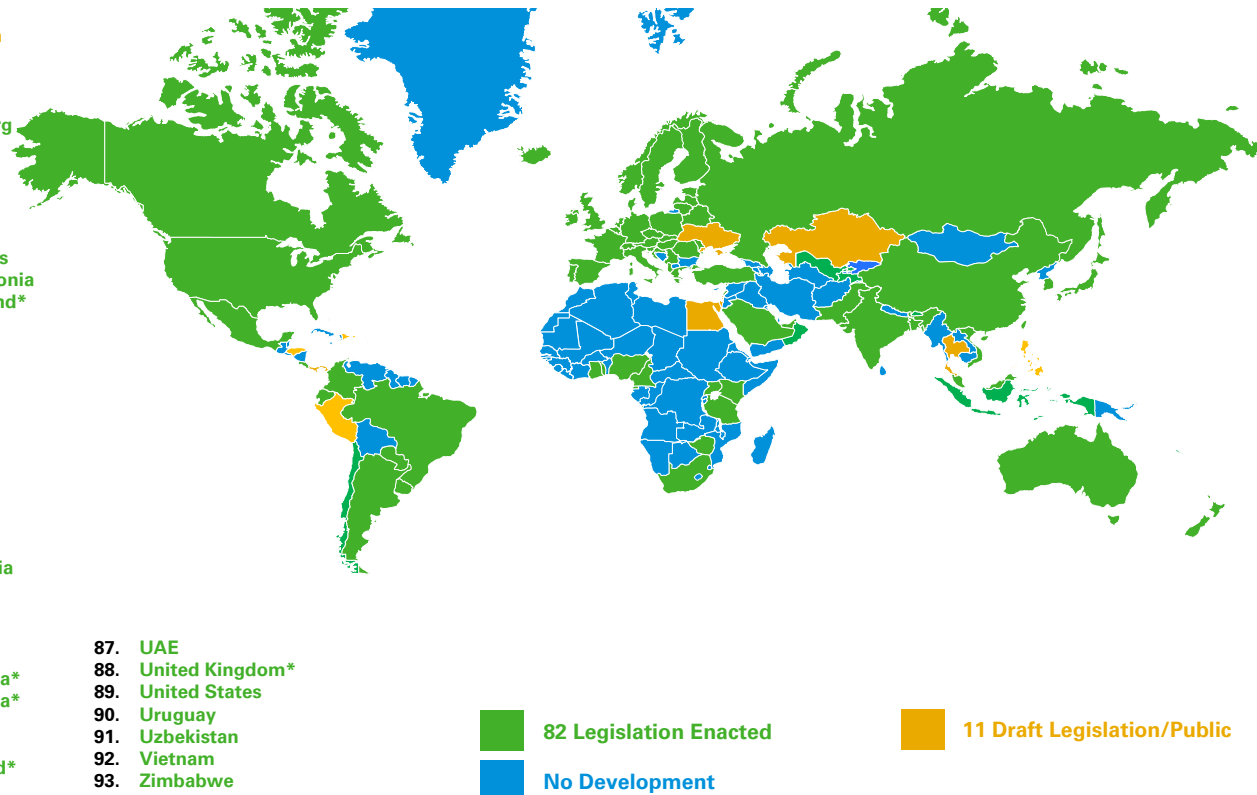




## Indirect taxes

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

- |                      |                     |
|----------------------|---------------------|
| 1. Albania           | 44. Italy*          |
| 2. Andorra           | 45. Japan           |
| 3. Armenia           | 46. Kazakhstan      |
| 4. Argentina         | 47. Kenya           |
| 5. Australia*        | 48. Latvia          |
| 6. Austria *         | 49. Lithuania       |
| 7. Barbados          | 50. Luxembourg      |
| 8. Bahamas           | 51. Malaysia        |
| 9. Bahrain           | 52. Malta           |
| 10. Bangladesh       | 53. Mauritius       |
| 11. Barbados         | 54. Mexico          |
| 12. Belarus          | 55. Moldova         |
| 13. Belgium          | 56. Netherlands     |
| 14. Bhutan           | 57. New Caledonia   |
| 15. Brazil           | 58. New Zealand*    |
| 16. Bulgaria         | 59. Nigeria         |
| 17. Cameroon         | 60. Norway*         |
| 18. Canada*          | 61. Oman            |
| 19. Chile            | 62. Panama          |
| 20. Colombia         | 63. Paraguay        |
| 21. Costa Rica       | 64. Peru            |
| 22. Croatia          | 65. Philippines     |
| 23. Cyprus           | 66. Poland          |
| 24. Czech R.         | 67. Portugal        |
| 25. Denmark          | 68. Romania         |
| 26. Dominican R.     | 69. Russia*         |
| 27. Ecuador          | 70. Saudi Arabia    |
| 28. Egypt            | 71. Serbia          |
| 29. Estonia          | 72. Singapore*      |
| 30. Fiji             | 73. Slovakia        |
| 31. Finland          | 74. Slovenia        |
| 32. France*          | 75. South Africa*   |
| 33. French Polynesia | 76. South Korea*    |
| 34. Germany*         | 77. Spain           |
| 35. Ghana            | 78. Sweden          |
| 36. Greece           | 79. Switzerland*    |
| 37. Honduras         | 80. Taiwan*         |
| 38. Hungary          | 81. Tajikistan      |
| 39. Iceland*         | 82. Tanzania        |
| 40. Ireland          | 83. Thailand        |
| 41. India*           | 84. Turkey          |
| 42. Indonesia*       | 85. Uganda          |
| 43. Israel           | 86. Ukraine         |
|                      | 87. UAE             |
|                      | 88. United Kingdom* |
|                      | 89. United States   |
|                      | 90. Uruguay         |
|                      | 91. Uzbekistan      |
|                      | 92. Vietnam         |
|                      | 93. Zimbabwe        |



To learn more about Taxation of the digitalized economy [read.kpmg.us/digital-economy](https://www.kpmg.us/digital-economy)

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\* Country has several laws/proposals/public announcements in place. Refer to the detail slides for more information.





## Country specific detail – Indirect taxes

✓ *Enacted*

● *Proposed/Public  
Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
<b>Albania</b>	✓ Enacted	November 12, 2014	Effective January 1, 2015, Albania requires non-resident vendors of digital services to consumers in Albania to register for and collect VAT.	Yes	1
<b>Algeria</b>	✓ Enacted	December 12, 2019	Effective January 1, 2020, Algeria expanded the scope of its VAT law to include sales of digital services, which are subject to a reduced rate of 9 percent. However, the law does not impose a registration requirement for non-resident providers.	No	2
<b>Andorra</b>	✓ Enacted	October 1, 2013	Effective January 1, 2014, Andorra requires non-resident vendors of digital services to consumers in Andorra to register for and collect VAT.	Yes	3
<b>Armenia</b>	✓ Enacted	January 15, 2020	Effective January 1, 2020, Armenia puts the liability to compute and pay of VAT on non-resident vendors providing digital services where the customer is a micro enterprise or turnover taxpayer. No VAT obligations arise with respect to services provided to individuals or to full VAT taxpayers by non-resident companies with no permanent establishment in Armenia.	No	4



✓ Enacted

● Proposed/Public Announcement

✗ Proposal rejected

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
Argentina	✓ Enacted	September 8, 2020	VAT on the sale of digital services. Rules on remote services are effective June 27, 2018. Argentinian credit or debit card providers are adding and withholding the VAT amount when the user pays for the digital services.  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.	No	5
	✓ Enacted	December 3, 2019	AFIP and the tax collection agency of the Buenos Aires Province (ARBA) issued Joint General Resolutions 4632 and 37/2019, which regulates the reporting and payment to the ARBA of the Buenos Aires Province turnover 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 on a monthly basis. The Resolutions are effective December 1, 2019.	No	6
Australia	✓ Enacted	May 13, 2016	Effective July 1, 2017, Australia requires non-resident vendors of digital services to consumers in Australia to register for and collect GST.	Yes	7
	✓ Enacted	December 12, 2019	The Australian Taxation Office finalized GST Ruling GSTR 2019/1 which discusses when a sale of anything other than goods or real property 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.	Yes	8



✓ Enacted

● Proposed/Public Announcement

✗ Proposal rejected

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
	✓	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.	N/A 9
	✓	Enacted	June 19, 2017	Effective July 1, 2018, non-resident vendors (including online platforms) selling low value consignments of goods to Australian consumers must register for and collect GST.	Yes 10
<b>Austria</b>	✓	Enacted	October 25, 2019	On October 31, 2019, Austria published in the official gazette the digital tax package (Digitalsteuergesetz) which introduces a new reporting requirement for digital platforms facilitating the sale of goods and services to final consumers in Austria effective January 1, 2020.	No 11
<b>Bahamas</b>	✓	Enacted	May 15, 2014	Effective January 1, 2015, the Bahamas requires non-resident vendors of digital services to customers in the Bahamas to register for and collect VAT.	Yes 12
	✓	Enacted	June 3, 2019	Effective July 1, 2019, all online marketplaces that advertise and facilitate vacation home rentals in The Bahamas are required to register 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.	N/A 13
	●	Announcement	October 30, 2020	On October 27, 2020, the Bahamas Government issued a release announcing the enforcement of the collection of VAT on digital services provided by foreign entities and consumed in the Bahamas.	N/A 14



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
Bahrain	✓ Enacted	December 24, 2018	Effective January 1, 2019, Bahrain requires non-resident vendors of digital services to consumers in Bahrain to register for and collect VAT.	Yes	15
	● Proposed	January 5, 2021	On December 31, 2021, Bahrain published VAT Public Clarification VAT/PC/20/3, which proposes to source telecommunication services provided to customers not registered for VAT purposes in Bahrain where the use and enjoyment of such services is. This means the place of supply (and the allocation of taxing rights) would be determined according to the location where the users are situated when they use or enjoy the services—and not necessarily the location where they habitually reside. The proposed effective date is February 1, 2021.	N/A	16
Bangladesh	✓ Enacted	September 9, 2020	Effective July 1, 2019, Bangladesh requires non-resident vendors of digital services to consumers in Bangladesh to register for and collect VAT if the annual taxable sales exceed BDT 30 million.	No	17
	✓ Enacted	January 13, 2020	On June 11, 2020, Bangladesh's National Board of Revenue apparently 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 supplies of services rendered to local customers by a non-resident service provider.	No	17
Barbados	✓ Enacted	January 13, 2020	Effective December 1, 2019, Barbados requires non-resident vendors of digital services to consumers in Barbados to register for and collect VAT.	Yes	18
Belarus	✓ Enacted	November 1, 2016	Effective January 1, 2018, Belarus requires non-resident vendors of digital services to consumers in Belarus to register for and collect VAT.	Yes	19



✓ Enacted

● Proposed/Public Announcement

✗ Proposal rejected

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
Bhutan	✓	Enacted	July 6, 2020	Effective July 1, 2021 Bhutan requires non-resident vendors of digital services to consumers in Bhutan to register for and collect VAT.	Yes 20
	✓	Enacted	January 2, 2017	Municipalities can impose municipal services tax (ISS) on certain digital services - does not apply to non-residents.	N/A 21
	✓	Enacted	October 19, 2017	Brazil allows states to impose state VAT (ICMS) on digital goods, such as apps, e-books, software, games, etc. effective as of April 1, 2018. The tax is paid in the state where the download or streaming is conducted and where the purchasing consumer is located. Rules do not apply to non-residents - only to residents. In addition, while not all the states have opted to taxing software. Sao Paulo, Paraiba, Goias, Piaui e Rondonia are states that have introduced rules.	N/A 22
Brazil	●	Proposed	July 7, 2020	A legislative proposal Bill No. 131/2020 would introduce a separate COFINS (i.e., <i>contribuição para o financiamento da seguridade social</i> , which refers to a social contribution program for social security financing) for entities in the digital economy sector. The proposal (COFINS-Digital) would, if enacted, apply to the gross monthly revenue earned in relation to digital services from: (1) electronic communications and digital interface that allows interaction between users with regard to the delivery of goods or provision of services and (2) marketing to advertisers or agents for placing targeted advertising messages on a digital interface based on user data.	N/A 23



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
	● Proposed	July 23, 2020	On July 21, 2020, Brazil's Minister of the Economy presented the first phase of the government proposed tax reform. The main proposed measure of the first phase is the replacement of the PIS and COFINS consumption taxes with a single creditable value-added type tax on goods and services ( <i>Contribuição sobre Bens e Serviços - CBS</i> ). As proposed, the CBS would be levied at a rate of 12% for companies in general, and at a rate of 5.9% for financial entities such as banks, health plans, and insurance companies. Digital platforms would also reportedly be required to collect CBS on sales in which they act as intermediaries, where the seller does not register the transaction by issuing a formal invoice. Non-residents selling to Brazilian consumers would also be required to register for CBS purposes and collect CBS on B2C sales.	Yes	24
	● Announcement	December 11, 2020	On November 4, 2020, the majority of the Ministers 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 value added tax (ICMS) cannot be levied on the downloading of software. Although this trial still requires the vote of one Minister to be formally concluded, the absolute majority required to declare the unconstitutionality of laws establishing the levy of ICMS on the downloading of software has already been reached.	N/A	25



✓ Enacted

● Proposed/Public Announcement

✗ Proposal rejected

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
Cameroon	✓	Enacted	January 17, 2020	Yes	26
			Cameroon has published the Finance Law for 2020. Under the provisions of the newly introduced 2020 Finance law, the sales of goods and services to businesses (B2B) or individual customers (B2C) in Cameroon through foreign or local e-commerce platforms shall be liable to VAT. The VAT registration requirement applies to all operators of electronic commerce platform with respect to each transaction. A yet to be published circular will provide the application details.		
Canada	✓	Enacted	December 7, 2018	Yes	27
			In Quebec, QST applies on: a) B2C supplies of services and goods provided by non-residents effective January 1, 2019; b) supplies by Canadian online platforms not QST registered effective March 1, 2019; and c) on sales by other Canadian online businesses not QST registered effective September 1, 2019.		
	✓	Enacted	April 1, 2019	Yes	28
			In Saskatchewan, the government recently published a guidance clarifying that non-resident businesses that perform retail sales of taxable goods and services acquired for use or consumption in or relating to Saskatchewan are required to register for PST purposes.		
	✓	Enacted	August 14, 2020	Yes	29
			On August 14, 2020, the British Columbia's Bill 4 received Royal Assent. Bill 4 includes certain indirect changes, including expanding the provincial sales tax (PST) registration requirements applicable to Canadian sellers of goods and to Canadian and foreign sellers of software and telecommunication services, where specified British Columbia revenues exceed CAD 10,000 (\$7,662). The effective date of the new registration requirements has yet to be set by regulation.		



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
	● Public Announcement	January 29, 2020	On January 29, 2020, a review panel tasked by the federal government with reviewing Canadian telecommunications and broadcasting legislation released its report. One of the report's recommendations is to immediately end the sales tax disadvantage facing Canadian companies by applying the GST/HST to media communication services of foreign online content providers.	N/A	30
	✓ Enacted	July 3, 2020	On July 3, Saskatchewan passed a bill, which requires out-of-province e-commerce platforms (including electronic distribution platforms and online accommodation platforms) to collect and remit PST effective January 1, 2020. In addition, the bill expands the list of "taxable services" on which taxpayers must collect and remit PST to the bill. Such services now include electronic distribution services that are delivered, streamed, or accessed through an electronic distribution platform (e.g., website, portal, or gateway).	Yes	31





✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
	● Public Announcement	November 30, 2020	<p>On November 30, 2020 the Canadian Finance Minister delivered the government's 2020 Fall Economic Update. The Update contains a number of proposed measures impacting the digital economy. Comments on these measures are being accepted until February 1, 2021 in anticipation of the changes being effective from July 1, 2021.</p> <p>The Update requires non-resident vendors selling services, including digital products, to consumers in Canada to register for, collect and remit the GST/HST on these taxable sales to Canadian consumers if their taxable sales are above CAD 30,000 over a 12-month period. Non-resident digital platform operators will also have to register for, collect and remit the GST/HST on taxable sales of digital products or services made through their platforms by non-resident vendors to Canadian consumers.</p> <p>The Update further requires non-resident vendors or digital platform operators that facilitate the sales of goods located in Canadian fulfilment warehouses to collect and remit GST/HST under the normal GST/HST rules. Digital platform operators will be required to maintain records about non-resident suppliers' stored goods and vendors selling through their platforms.</p> <p>Finally, the Update applies GST/HST to all short-term rental accommodation supplied through digital platforms. Under this change, the property owner or the digital accommodation platform operator will be required to collect and remit the GST/HST on short-term accommodation. Further, accommodation platform operators will be required to maintain records, including details related to the property owners/suppliers.</p>	Yes	32



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
Chile	✓ Enacted	June 15, 2020	Effective June 1, 2020, Chile requires non-resident vendors of digital services to consumers in Chile to register for and collect VAT. On June 11, 2020, the tax authorities issued Circular 42 regulating the levy of VAT on digital services. The Circular includes the following: (1) a detailed explanation of the new digital services and the taxable events triggering the application of VAT; (2) territorial criteria for the establishment of the tax; (3) rules dealing with 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 operation of the new simplified registration.	Yes	33
	✓ Enacted	July 28, 2020	On July 22, 2020, the Chilean Internal Revenue Service 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.	N/A	34



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status		Latest development	Brief description	In line with OECD Guidance	Cite
	✓	Enacted	August 22, 2020	On August 21, 2020, the Chilean tax authority issued a Resolution requiring banks to present a quarterly Payment Cards Report identifying each payment to entities not resident or domiciled in Chile via credit and debit cards and other payment systems. 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. Initially, banks have until September 15, 2020 to present the first report covering the months of June and July 2020, while the second, covering August and September, is due on the last working day of November 2020. After that, banks are to report every three months.	N/A	35
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.	N/A	36
Colombia	✓	Enacted	November 28, 2018	Non-resident vendors must register, report, and collect VAT on their B2C sales of services (including digital services) effective July 1, 2018.	Yes	37
	✓	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.	No	38



✓ *Enacted*

● *Proposed/Public  
Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
<b>Costa Rica</b>	✓ Enacted	December 6, 2018	New VAT system was introduced effective July 1, 2019. According to the implementing decree published in June, local financial institutions will withhold VAT on B2C e-services based on a list that has yet to be published by the tax authority. There should also be an option for non-residents to register for VAT.	No	39



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
	✓ Enacted	September 29, 2020	<p>Costa Rica announced that VAT will be imposed on digital services and intangibles acquired to be consumed in Costa Rica. The General Tax Administration established a list of platforms that will be subject to the VAT, the platforms that are not part of the list will not be subject to this mechanism for the moment. The Tax Administration established two mechanisms to collect the VAT of those platforms: provider or intermediary's registration or perception by credit and debit card issuers.</p> <p>Costa Rica's Minister of Finance has decided to delay the collection of VAT on cross-border digital services from August 1, 2020 until October 1, 2020 where the collection is performed through withholding by the credit/debit card issuers facilitating payment. While the collection by credit/debit card issuers is delayed to October 1, 2020, non-resident service providers or intermediaries can still choose to register for and collect VAT directly from August 1, 2020.</p> <p>On September 22, 2020, the general tax administration 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 Directorate of Tax Collection three times a year; and (3) amendment to appendix N°6 that lists the names of digital service providers and entities that are subject to the VAT collection rules.</p>	No	40



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
	✓ Enacted	November 19, 2019	On November 19, 2019, Costa Rica published in the official gazette, Law No 9472 to regulate online providers of hotels, condos or marketplaces for vacation home rentals. The law does not include a specific tax clause but authorizes the <i>Instituto Costarricense de Turismo</i> (ICT) and the Ministry of Finance to establish cooperation agreements with intermediaries to facilitate the collection of taxes.	N/A	41
	✓ Enacted	December 18, 2020	On December 15, 2020, the tax authority of Costa Rica 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 keep on its official website the list of cross-border services providers and intermediaries of cross-border digital services and will add or exclude providers and intermediaries from the above list by publishing a new list on its website. 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.	N/A	42



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
<b>Dominican Republic</b>	● Proposed	October 16, 2020	<p>The Dominican Republic has published the draft Budget for 2020 in which it proposes to introduce a special tax on digital services provided by non-residents. The tax rate would be identical to the VAT rate and the tax would be withheld by financial services intermediaries.</p> <p>On October 14, 2020, the Dominican General Directorate of Budget released the 2021 draft budget bill, which proposes, among other things, to tax digital services provided by non-residents.</p>	No	43
<b>Ecuador</b>	✓ Enacted	January 10, 2020	<p>On December 31, 2019, Ecuador published in the official gazette a law that introduces VAT on B2C sales of certain digital services. A VAT withholding is performed by local financial institutions. The tax authority will publish details on the withholding mechanism.</p>	No	44



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
	✓ Enacted	November 16, 2020	<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-DGERCGC20-00000053, 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-DGERCGC20-00000055, 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-DGERCGC20-00000061, which establishes new rules for withholding at source for VAT purposes. The new resolution replaces Resolution No. NAC-DGERCGC15-00000284 of 2015, including new provisions in relation to withholding of VAT on the import of digital services.</p>	No	45
Egypt	● Proposed	June 23, 2020	<p>On June 15, 2020, the Egyptian Ministry of Finance published draft amendments to the VAT Law (Law 67 of 2016) for consultation, which, if approved, would, among other things, introduce VAT obligations for non-residents performing e-commerce transactions with Egyptian consumers, including simplified VAT registration.</p>	Yes	46





✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status		Latest development	Brief description	In line with OECD Guidance	Cite
<b>Estonia</b>	✗	Proposal rejected	December 2, 2020	<p>On September 17, 2020, the Ministry of Finance proposed to impose new reporting obligations on digital platforms through which it is possible to offer services in Estonia. The proposal would require digital platforms through which services are provided in Estonia to report the following data to the tax authorities by February 1 of the following calendar year: (1) personal identification codes, legal entities' registration numbers or non-residents' registration numbers of persons that, during the calendar year, received income, through the digital platform, from renting out immovable property, granting loans or rendering other services; and (2) the amount and type of income the persons received during the calendar year.</p> <p>On November 25, 2020, the parliament rejected the proposal to impose new reporting obligations for operators of digital platforms.</p>	N/A	47
<b>European Union</b>	✓	Enacted	May 7, 2002	<p>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.</p>	Yes	48



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	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.	Yes	49
	✓ Enacted	December 5, 2017	Effective January 1, 2019, the EU implemented the following amendments to the EU VAT digital services rules : a) Introduce a EUR 100,000: simplified administrative requirements (1 piece of evidence v. 2 pieces of evidence currently) for EU companies in addition to a EUR 10,000 EU-wide threshold for EU companies to be subject to destination sourcing rules for digital services. b) 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) c) Clarify that invoicing rules of Member State of identification under MOSS apply (rather than invoicing rules where the consumer is located)	Yes	50
	✓ Enacted	December 5, 2017	Effective January 1, 2021, the EU will require non-resident suppliers of low volume consignments (i.e., goods imported into an EU territory) to register for and collect VAT on B2C supplies. In addition, EU-wide rules for intra-EU B2C supplies of goods will change.	Yes	51



✓ *Enacted*

● *Proposed/Public  
Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
	✓ Enacted	December 4, 2019	The European Union published in the official gazette Council Directive (EU) 2019/1995 and Council Implementing Regulation (EU) 2019/2026, which clarify provisions relating to distance sales of goods and certain domestic supplies of goods entering into force on January 1, 2021.	Yes	52
	✓ Enacted	January 17, 2020	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. The information provided on the web portal to include the relevant VAT information for distance sales of goods and B2C supplies of services effective January 1, 2021.	N/A	53
	✓ Enacted	February 7, 2020	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 record keeping requirements for cross-border e-commerce transactions effective January 1, 2024.	No	54
	✓ Enacted	February 13, 2020	On February 13, 2020, the EU published in the official journal Commission Implementing Regulation (EU) 2020/194, which identifies the sets of information required for purposes of registering under the non-EU scheme, the EU scheme and the import scheme (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.	N/A	55



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite	
	●	Announced	July 15, 2020	The EU Commission published an economic recovery plan as part of its response to the COVID-19 pandemic, which includes as an option for reform a digital tax on companies with global annual turnover above EUR750 million. The Commission said that it "actively supports" the discussions currently led by the OECD and the G20 in this area, and that it "stands ready to act if no global agreement is reached." An EU digital tax could raise EUR1.3 billion a year, according to the Commission.	Yes	56
	✓	Enacted	June 24, 2020	On July 29, 2020, the European Union published in the official journal a Directive postponing the entry into force date of the second batch of the VAT e-commerce package from January 1, 2021 to July 1, 2021.	N/A	57
	✓	Enacted	October 1, 2020	On October 1, 2020, the European Commission published detailed guidance to businesses on applying the new VAT e-commerce rules that entered into effect on 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.	N/A	58



✓ Enacted

● Proposed/Public Announcement

✗ Proposal rejected

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
	● Proposed	November 27, 2020	On November 27, 2020, the European Commission announced that Member States have agreed on new rules that will see member states automatically exchange information on income earned by sellers on digital platforms under the European Council Directive on Administrative Cooperation in the field of taxation (DAC7). Effective 2023, Member States' tax authorities will automatically exchange information on income earned by sellers on digital platforms, whether the platform is located in the EU or not. The aim is to prevent tax evasion and avoidance, enhance tax fairness, and foster a level playing field for both the platforms and sellers.	N/A	59
<b>Fiji</b>	● Proposed	November 24, 2019	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.	Yes	60
<b>Finland</b>	✓ Enacted	July 1, 2019	Effective July 1, 2019, the reduced 10% VAT rate applies to electronic publications, including books, newspapers, and magazines.	N/A	61
<b>France</b>	✓ Enacted	December 23, 2018	Effective January 1, 2020, France will introduce a reporting requirement for online platforms (i.e., information on sales carried out through platforms to French customers).	No	62
	✓ Enacted	August 5, 2019	The French tax authority updated the administrative doctrine clarifying the VAT treatment applicable to the public offering of digital currency.	N/A	63



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
	✓ Enacted	January 7, 2020	France has 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.	No	64
	● Proposed	April 7, 2020	The French tax authority initiated a public consultation concerning joint liability of online platform operators for the payment of VAT owed by certain defaulting users of the platform in France. The consultation is open until May 31, 2020.	No	65
	● Announcement	December 21, 2020	On December 11, 2020, the French high administrative court ("Conseil d'Etat") issued its decision in ValueClick International Ltd., which addresses the French concept of PE—both for corporate income tax and VAT purposes—and that revises what previously had been a traditional approach to the characterization of a PE. 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.	N/A	66



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
<b>French Polynesia</b>	✓ Enacted	October 23, 2020	French Polynesia requires non-resident providers of digital services to customers (B2B and B2C) in French Polynesia to register for, collect, and remit VAT.	Yes	67
<b>Georgia</b>	✓ Enacted	November 4, 2020	Effective January 1, 2021, Georgia will require non-residents providing certain services, such as telecommunications, broadcasting, and electronic services to consumers in Georgia (i.e., B2C transactions) to account for VAT. The obligation appears to apply from the first taxable sale made to a consumer in Georgia. The definition of electronic services would broadly follow the definition applicable in the European Union. Detailed instruction for such cases (mechanism of fulfilling the liability and informing the relevant taxable persons) will further be regulated by the order of Minister of finance of Georgia.	Yes	68
<b>Germany</b>	✓ Enacted	November 13, 2018	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.	No	69



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
	✓ Enacted	October 7, 2019	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.	No	70
	● Public Announcement	October 10, 2019	The European Commission sent a letter of formal notice to Germany because it had imposed an obligation on digital marketplaces to produce a paper certificate provided by the German tax authorities to businesses selling goods via platforms of online marketplaces. The Commission is of the opinion that such a measure violates EU law, is inefficient, disproportionate, impedes the free access of EU businesses to the free market and is not in line with the digital strategy agreed between Member States. Germany has 2 months to take action; if not, the Commission may send a reasoned opinion to the German authorities.	No	71
	● Proposed	September 29, 2020	On September 2, 2020, the German cabinet agreed the government draft for the German Annual Tax Act 2020, which, among other things, would amend the joint and several liability rules for online platforms to reflect the implementation of the EU e-commerce VAT package.	No	72





✓ Enacted

● Proposed/Public Announcement

✗ Proposal rejected

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
<b>Ghana</b>	✓ Enacted	January 1, 2014	Effective January 1, 2014, Ghana requires non-resident vendors of digital services to consumers in Ghana to register for and collect VAT.	Yes	73
<b>Honduras</b>	● Public Announcement	October 20, 2020	On October 20, 2020, the head of Honduras Revenue and Admin Service (SAR) announced that the government is planning to extend the VAT to non-resident supplies of digital services.	N/A	74
<b>Iceland</b>	✓ Enacted	May 1, 2010	Effective January 1, 2011, Iceland requires non-resident vendors of digital services to consumers in Iceland to register for and collect VAT.	Yes	75
	✓ Enacted	December 30, 2016	Effective January 1, 2017, Iceland increased the VAT registration threshold from ISK 1 million to ISK 2 million.	N/A	76
<b>India</b>	✓ Enacted	November 21, 2016	Effective December 1, 2016, India requires non-resident vendors of digital services to consumers in India to register for and collect service tax. These rules were continued under the new GST regime effective July 1, 2017.	Yes	77
	✓ Enacted	October 1, 2018	India requires e-commerce operators to withhold GST based on the net value of their transactions, even if not registered as tax agents. The new provision to tax sales on e-commerce platforms, known as tax collected at source (TCS) is effective from October 1, 2018. Rules only apply to domestic sales (e.g., Indian vendor uses a platform to make a sale to an Indian consumer.) Non-residents providers of digital services are required to collect indirect taxes (first service tax, followed by GST) since December 1, 2016.	No	78



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
Indonesia	✓ Enacted	May 21, 2020	<p>On March 31, 2020, the Indonesian government issued Government Regulation in Lieu of Law (Peraturan Pemerintah Pengganti Undang-Undang/Perppu) No.1 Year 2020, which introduces new measures to the digital economy.</p> <p>On May 15, 2020, Indonesia's Directorate General of Taxation announced that sales of digital goods and services from abroad to domestic consumers will be subject to VAT at the rate of 10% effective July 1, 2020. With these provisions, digital products such as streaming music subscriptions, streaming films, digital applications, and games, as well as online services from abroad will be treated the same as domestic products, including similar digital products produced by domestic businesses. Businesses that meet certain transaction value criteria or the amount of traffic within 12 months will be designated by the Minister of Finance through the Directorate General of Taxation as a VAT collector. Businesses that have met the criteria but have not been designated as VAT collectors should submit notifications online to the Directorate General of Taxation. The exact criteria and the businesses designated will be provided at a late date.</p>	N/A	79



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
	✓ Enacted	November 19, 2020	<p>On June 25, 2020, Indonesia's Directorate General of Taxation (DGT) issued Regulation No. PER-12/PJ/2020, which further regulates the new measures for the taxation of electronic transactions (referred to as "PMSE") with effective July 1, 2020. The Regulation established 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 third 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 fourth 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 the fifth batch of global companies that meet the criteria for collecting VAT on digital goods and services sold to consumers in Indonesia.</p>	Yes	80



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
Israel	●	Public Announcement September 15, 2019	The Ministry of Finance of Israel proposed to remove the current \$75 import tax exemption for the import of a consignment of goods as a means of levelling the playing field between domestic retailers and foreign online retailers. Import tax includes customs duties, purchase tax, and VAT payable on goods. The \$75 exemption threshold applies for purchase tax and VAT, while a higher exemption threshold of \$500 applies for customs. Subject to the approval of the Israeli parliament, the removal of the \$75 exemption would be implemented effective April 1, 2020.	N/A	81
Italy	✓	Enacted June 8, 2020	Effective February 19, 2019, Italy implemented a reporting requirement for online platforms (i.e., information on supplies carried out through platforms to Italian customers). On June 1, 2020, the Italian tax authorities issued Circular no. 13/E to clarify the reporting obligations for remote (or distance) sales. If a marketplace operator fails to transmit the information regarding remote sales by the deadline, or transmits incorrect or incomplete information, that marketplace operator is deemed to have received or supplied the goods itself and is liable to pay VAT on the sales for which it has failed to send (or has sent incomplete) information, unless it can prove that the VAT has been paid by the vendor; or the marketplace operator did not and could not reasonably have known that this information was incomplete or incorrect.	No	82



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
	● Public Announcement	October 9, 2019	<p>The EU Commission sent a reasoned opinion to Italy because it had failed to transpose provisions concerning the sourcing of digital services and related invoicing rules as included in Directive 2017/2455. The European Commission may refer Italy to the European Court of Justice if Italy takes no action in the coming 2 months.</p> <p>On July 2, 2020, the Commission closed the infringement procedure as Italy had amended its VAT law.</p>	Yes	83
<b>Japan</b>	✓ Enacted	July 7, 2015	<p>Japan introduced consumption tax on the provision of cross-border digital services effective October 1, 2015 requiring non-resident vendors to register for and collect JCT on B2C sales of digital services. While technically following the OECD guidance, Japan makes a distinction between B2B and B2C based on the type of digital service provided and not the customer type.</p>	No	84



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
<b>Kazakhstan</b>	● Proposal	November 3, 2020	<p>The lower house of the parliament in a first reading approved a bill concerning the taxation of digital services and the electronic sales of goods. Under the legislation, foreign companies that apply their internet platforms for electronic sales of goods or services to individuals in Kazakhstan are regarded as VAT taxpayers and would be required to calculate and pay VAT on an electronic sale of goods or services to an individual, if one of the following conditions is met: (1) the individual buyer's place of residence is Kazakhstan, (2) the buyer pays the foreign internet company through a bank account in a bank or via an operator of electronic money located in Kazakhstan. (3) the individual buyer's network address is registered in Kazakhstan. (4) the buyer uses for the transaction a telephone number (including mobile) with an international country code assigned to Kazakhstan. For electronic sales from abroad, the quarterly VAT payments would be required by the 25th day of the second month following the quarter in which a foreign entity sold goods or services electronically.</p> <p>Kazakhstan's lower house of parliament has reportedly approved updated legislation for the implementation of VAT obligations for foreign digital service providers effective January 1, 2022.</p>	Yes	85
<b>Kenya</b>	✓ Enacted	August 21, 2013	<p>Effective September 2, 2013, Kenya requires non-resident vendors of digital services to consumers in Kenya to register for and collect VAT.</p>	Yes	86



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
	✓ Enacted	June 9, 2020	Effective January 1, 2020, VAT is applicable to sales made through a digital marketplace. It is currently not clear how non-resident vendors will account for VAT. In addition, Kenya will expand the requirement to self-assess VAT under the reverse charge mechanism to non-VAT registered recipients of taxable imported services. The Kenyan National Treasury recently released the draft Value Added Tax (Digital Marketplace Supply) Regulations, 2020. Non-resident digital marketplaces facilitating the sale of digital services will be required to register under the simplified VAT registration framework within thirty days from the publication of the final regulations.	Yes	87
	✓ Enacted	October 30, 2020	On September 10, 2020, Kenya published the final version of the Value Added Tax (Digital Marketplace Supply) Regulations, 2020, which implement the changes introduced by the Finance Act 2019 so that sales made through a digital marketplace are within the scope of VAT. 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.	Yes	88



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
Malaysia	✓ Enacted	August 1, 2020	<p>Effective January 1, 2020, foreign service providers are required to register for service tax if their total annual sales of digital services to Malaysian customers exceeds RM 500,000. Digital services include software, music video, and digital advertising.</p> <p>According to the Service Tax Guide on Digital Services, the provisions of digital services are applicable to both business-to-business (B2B) and business-to-consumer (B2C) transactions. Businesses that have been charged service tax on digital services provided by a foreign registered person (FRP) are exempted from service tax in Malaysia on these imported taxable services.</p> <p>On August 30, 2019, the Royal Malaysian Customs Department 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. On August 1, 2020, the Royal Malaysian Customs Department 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>	No	89
Mauritius	✓ Enacted	August 12, 2020	<p>On August 7, 2020, Mauritius published the Finance (Miscellaneous Provisions) Act 2020, which, among other things, introduces VAT on digital and electronic 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.</p>	Yes	90





✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
Mexico	✓ Enacted	December 19, 2019	<p>On October 30, 2019, the Mexican parliament approved a tax reform package which includes measures to increase efficiency in VAT collection, and specifically, it is proposed to modify the tax treatment of some digital services provided from abroad to recipients in Mexico. Accordingly, if the digital services are provided to a recipient in Mexico, the services would be subject to VAT. VAT on digital intermediation services between third parties—for example, advertising services—would be imposed as part of the VAT law. This would require the reporting of transactions conducted as well as payments processed. A withholding regime would be applied. In addition, digital platforms those that process payments made by the purchasers of goods and services) would withhold VAT on the value of the underlying transactions. The new rules are effective June 1, 2020.</p>	Yes	91



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
	✓ Enacted	January 13, 2021	<p>On December 28, 2019, Mexico published the Miscellaneous Resolution for 2020, which, among other things, provides implementing rules applicable to foreign digital services providers and intermediaries of digital services.</p> <p>On May 12, 2020, Mexico published amendments to the miscellaneous rules. The main aspects of these changes concern the forms that providers of digital services are to use to file their returns, and among other items.</p> <p>On May 29, 2020, Mexico published the Second Amending Resolution, which clarifies the rules for transactions carried out through online intermediation platforms that are cancelled.</p> <p>On September 9, 2020, the Mexican Tax Administration (SAT) issued Official Letter No. 700-04-00-00-00-2020-108, which contains an updated list of non-resident digital service providers that have registered under Mexico's new requirements, which generally apply from June 1, 2020.</p> <p>On December 29, 2020, Mexico published the Miscellaneous Tax Resolution for 2021, which, among other things, clarify the amendments to the VAT digital services rules that are effective January 1, 2021</p> <p>On January 8, 2021, the SAT issued Official Letter 700-04-00-00-00-2020-407, which contains an updated list of non-resident digital service providers that have registered for VAT purposes.</p>	Yes	92



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
	✓ Enacted	November 9, 2020	<p>On November 5, 2020, the Mexican Chamber of Deputies approved modifications and additions to the income tax and VAT laws regarding the taxation of digital services in Mexico. Once signed by the president and published in the official gazette, the amendments will be effective January 1, 2021. 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 will be required to withhold 100% of the amount of VAT collected when foreign residents provide digital services into Mexico. Finally, digital intermediation platform will be allowed to display the price of the goods or services including the amount of tax with the statement "VAT inclusive."</p>	Yes	93



✓ Enacted

● Proposed/Public Announcement

✗ Proposal rejected

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
Moldova	✓	Enacted	November 30, 2020	Effective April 1, 2020, Moldova requires non-resident vendors of digital services to consumers in Moldova to register for and collect VAT.	
	✓	Enacted	November 30, 2020	On October 17, 2020, Moldova's State Tax Service 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).	94
	✓	Enacted	November 30, 2020	On November 4, 2020, Moldova's State Tax Service 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.	
New Caledonia	✓	Enacted	October 23, 2020	Effective October 1, 2018, New Caledonia requires non-resident suppliers of B2C services to register for and collect general consumption tax.	95
New Zealand	✓	Enacted	August 1, 2016	Effective October 1, 2016, New Zealand requires non-resident suppliers of B2C services to register for and collect GST if the annual volume of taxable sales is above NZD 60,000.	96
	✓	Enacted	June 28, 2019	Effective December 1, 2019, New Zealand requires non-resident vendors (including online marketplaces) selling low valued goods (< NZD1,000) to register for and collect GST if the annual volume of taxable sales is above NZD 60,000.	97



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
Nigeria	✓	Enacted	January 16, 2020	Yes	98
			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. 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 considering 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.		
Norway	✓	Enacted	March 1, 2010	Yes	100
			Effective July 1, 2011, Norway requires non-resident vendors of digital services to consumers in Norway to register for and collect VAT.  The NOK350 low-value import VAT exemption threshold is being removed in two stages in 2020. Effective January 1, 2020, the threshold is removed for all 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 threshold is removed for other goods, including clothing, shoes, and electronics. Non-resident vendors (or the online platforms through which the sales are performed) of goods value less than NOK 3,000 are required to register for and charge VAT on such sales.		



✓ Enacted

● Proposed/Public Announcement

✗ Proposal rejected

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
	✓ 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.	No	101
<b>Oman</b>	✓ Enacted	October 14, 2020	On October 12, 2020, Oman published Royal Decree 121/2020, which introduces a VAT regime effective April 2021. Under the new VAT regime, non-resident vendors of digital services to consumers in Oman are required to register for and collect VAT.	Yes	102
	● Public Announcement	June 20, 2019	The OECD published a new report which includes new measures to make e-commerce marketplaces liable for the VAT/GST on sales made by online traders through their platforms.	Yes	103
<b>OECD</b>	● Public Announcement	July 3, 2020	The OECD has released a new global tax reporting framework, the Model Rules for Reporting by Platform Operators with respect to Sellers in the Sharing and Gig Economy ("MRDP"). Under the MRDP, digital platforms are required to collect information on the income realized by those offering accommodation, transport and personal services through platforms and to report the information to tax authorities.	N/A	104
	● Public Announcement	November 2, 2020	The OECD plans to wrap up a report by early 2021 that will examine the indirect tax implications of the sharing and gig economy and set out measures for tax authorities to consider. The report's goal is to enhance tax authorities' knowledge of the economic and commercial aspects of the gig and sharing economy, including key sectors and business models, as well as its size and growth levels	N/A	105



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
<b>Panama</b>	●	Proposed	February 12, 2020	No	106
<b>Paraguay</b>	✓	Enacted	June 8, 2020	No	107



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
	✓ Enacted	January 11, 2021	On December 28, 2020, Paraguay published General Resolution No. 76-20, which provides for the implementation of VAT on digital services effective January 1, 2021 General Resolution No. 76-20 also specifies the types of digital services affected by the resolution 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 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	No	108
Peru	● Proposed	October 3, 2020	On September 11, 2020, Bill No. 6181/2020-CR was presented before the Peruvian Legislature. The bill aims to collect the VAT from non-resident provider selling digital services to consumers in Peru. According to the bill, digital services include: (i) software maintenance (ii) technical support to a customer's network, (iii) storage of information (data warehousing), (iv) implementation of hosting, (v) application services supply, (vi) web hosting, (vii) electronic access to consulting services, (viii) advertising, (ix) online auction, (x) information distribution, (xi) access to an interactive website, (xii) interactive training, (xiii) online sale sites/portals.	No	109





✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
Philippines	● Proposed	July 30, 2020	<p>On May 19, 2020, the chair of the Ways and Means Committee of the Philippine House of Representatives has introduced legislation that would impose VAT on digital services provided by multinational companies.</p> <p>On July 29, 2020, the Philippines House of Representatives' Ways and Means Committee approved draft legislation to levy VAT on digital services. Under the proposal, digital services would include online licensing or software, updates and add-ons, website filters and firewalls, mobile applications, video games and online games, and webcasts and webinars. The measure would also cover the provision of digital content – such as music, files, images, text, and information – as well as online advertising, electronic marketplaces' sales, search engine services, social networks, database and hosting services, and online training, among others. There would also be a de minimis threshold to exempt small businesses as sales below PHP3m would not trigger any VAT obligations</p>	Yes	110



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
Puerto Rico	✓ Enacted	December 21, 2020	<p>On December 8, 2020, the Puerto Rico Treasury Department published new sales tax regulations implementing new law requiring marketplace facilitators to collect and remit sales tax. In April, 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>	Yes	111



✓ Enacted

● Proposed/Public Announcement

✗ Proposal rejected

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
Russia	✓ Enacted	August 11, 2016	Effective January 1, 2017, Russia requires non-resident vendors of digital services to consumers (B2C) in Russia to register for and collect VAT.	Yes	112
	✓ Enacted	December 22, 2017	Effective January 1, 2019, Russia requires non-resident vendors of digital services to business customers (B2B) in Russia to register for and collect VAT.	No	113
	✓ Enacted	July 31, 2020	On July 31, 2020, Russia published Federal Law No. 265-FZ, which amends the scope of the VAT exemption applicable to the sale of exclusive rights to software and databases and to the rights to use them based on a license agreement effective January 1, 2021. The VAT exemption will apply to the provision of rights to use software and databases that are listed in the unified register of Russian software and database, thus excluding non-Russian software and databases from the scope of the exemption. The VAT exemption will apply to the rights to use the software and databases (including updates and additional functionality) through remote online access. The VAT exemption will not apply if right to use the software or databases consist of the receipt of an opportunity to disseminate advertising information via the internet and/or to receive access to it; to post offers regarding the acquisition (sale) of goods (including services), property rights in the internet; to search for information on potential buyers (sellers) and/or to conclude transactions (in general, advertising software).	N/A	114
	✓ 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.	N/A	115



✓ Enacted

● Proposed/Public Announcement

✗ Proposal rejected

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
	● Proposed	November 2, 2020	The Russian parliament recently proposed to exempt from VAT the sale of food and non-food products by Russian retailers to individuals through online stores effective January 1, 2021.	N/A	116
	✓ Enacted	January 6, 2021	Effective from 1 July 2021, transactions made through foreign digital wallets held by Russian resident individuals must be declared to the tax authorities if the total amount of transactions in the reporting year exceeds RUB 600,000 (approximately EUR 6,674) or the equivalent amount in foreign currency.	N/A	117
<b>Saudi Arabia</b>	✓ Enacted	August 2, 2017	Effective January 1, 2018, Saudi Arabia requires non-resident vendors of digital services to consumers in Saudi Arabia to register for and collect VAT.	Yes	118
<b>Serbia</b>	✓ Enacted	May 31, 2016	Effective January 1, 2017, Serbia requires non-resident vendors of digital services to consumers in Serbia to register for and collect VAT.	Yes	119
	✓ Enacted	April 19, 2018	Effective January 1, 2020, Singapore requires non-resident vendors of digital services to consumers in Singapore to register for and collect VAT.	Yes	120
<b>Singapore</b>	✓ Enacted	December 31, 2019	Effective January 1, 2020, the use of digital payment tokens as payment for goods or services is considered to be outside the scope of GST, and the exchange of digital payment tokens for fiat currency or other digital payment tokens is exempt from GST.	N/A	121
	✓ Enacted	July 15, 2019	The Singaporean Inland Revenue Authority issued guidance and FAQs on GST for overseas vendor registration effective January 1, 2020.	Yes	122



✓ Enacted

● Proposed/Public Announcement

✗ Proposal rejected

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
South Africa	✓ Enacted	March 15, 2014	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.	No	123
	✓ Enacted	April 1, 2019	Effective April 1, 2019, South Africa expands the scope of digital services, increases the VAT registration threshold for non-residents, and implements intermediary (e.g., platform) rules from (i.e., ZAR 50,000 to ZAR 1 M).	N/A	124
	● Proposed	August 19, 2020	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 does not provide a definition for "telecommunication services". It is only the telecommunication services which are exempt from VAT on electronic services and not any content. The draft regulations seek to address this weakness in the VAT regulations on electronic services by introducing the definitions of "content" and "telecommunications services".	N/A	125
South Korea	✓ Enacted	Aug. 11, 2015	Effective July 1, 2015, South Korea requires non-resident vendors of certain digital services to consumers in South Korea to register for and collect VAT.	Yes	126
	✓ Enacted	December 20, 2018	The scope of digital services provided by non-resident vendors subject to VAT has been expanded to include advertising services, cloud computing services, and intermediary online-to-offline services effective July 1, 2019.	Yes	127



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status		Latest development	Brief description	In line with OECD Guidance	Cite
Sweden	✓	Enacted	March 1, 2019	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).	No	128
Switzerland	✓	Enacted	February 1, 2009	Effective January 1, 2010, Switzerland requires non-resident vendors of digital services to consumers in Switzerland to register for and collect VAT. Once required to register, all supplies (B2C and B2B) are subject to VAT.	No	129
	✓	Enacted	October 1, 2017	Effective January 1, 2018, Switzerland changed the computation method of the VAT registration threshold for non-resident digital services providers (now CHF 100,000 worldwide income).	No	130
	✓	Enacted	November 21, 2018	Effective January 1, 2019, Switzerland expanded the new threshold 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.	N/A	131



✓ *Enacted*

● *Proposed/Public  
Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
	● Proposed	June 19, 2020	On June 19, 2020, the Federal Council opened a consultation on the partial revision of the VAT law. Among other things, the Federal Council suggests taxing mail order platforms extensively. Since the last VAT revision of the VAT law, foreign mail order companies have had to register with the Swiss Federal Tax Administration (FTA) if they achieve sales of over CHF 100,000 in Switzerland with small consignments (VAT amount below CHF 5). According to the proposal, the FTA should be able to take administrative measures to enforce the new rules if mail order platforms or companies have wrongly failed to register or if they fail to meet their billing and payment obligations. It may prohibit imports of supplies from the company concerned or the destruction of the objects. To protect customers, it can also publish the names of the companies against which such measures are applied.	Yes	132
	✓ Enacted	June 23, 2020	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.	Yes	133
<b>Taiwan</b>	✓ Enacted	March 22, 2017	Effective May 1, 2017, Taiwan requires non-resident vendors of digital services to consumers in Taiwan to register for and collect VAT.	Yes	134



✓ Enacted

● Proposed/Public Announcement

✗ Proposal rejected

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
	✓ Enacted	October 29, 2019	Effective January 1, 2019, non-resident taxpayers selling B2C e-services and registered for VAT purposes will be required to issue government compliant e-invoices. On July 16, 2018, the MOF 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. Effectively, this provides a one-year grace period to foreign e-services suppliers on the issuance of e-GUI.	N/A	135
<b>Tajikistan</b>	✓ Enacted	January 13, 2021	Effective January 21, 2021, Tajikistan requires non-resident vendors of digital services to customers in Tajikistan to register for and collect VAT. Digital services include, among other things: computer games, advertising on the Internet, sale and purchase advertisements, organization of virtual contacts between sellers and buyers, support of Internet resources, storage of information and its remote processing, sale of domain names, service providers, processing user requests for searching, selecting and sorting data. Digital services do not include electronic services: sale of goods delivered without using the Internet; sale of programs for computing machines on tangible media; rendering consulting services via e-mail; provision of services for access to the Internet.	Yes	136
<b>Tanzania</b>	✓ Enacted	July 1, 2014	Effective July 1, 2015, Tanzania requires non-resident vendors of digital services to consumers in Tanzania to register for and collect VAT.	Yes	137
<b>Thailand</b>	● Proposed	June 10, 2020	On June 9, 2020, the Thai government approved a draft VAT bill, which, if approved by the parliament, would impose VAT on digital services provided by foreign operators to consumers in Thailand.	Yes	138





✓ Enacted

● Proposed/Public Announcement

✗ Proposal rejected

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
<b>Turkey</b>	✓ Enacted	April 15, 2018	Effective January 1, 2018, Turkey requires non-resident vendors of digital services to consumers in Turkey to register for and collect VAT.	Yes	139
<b>Uganda</b>	✓ Enacted	October 24, 2019	On October 24, 2019, the Uganda Revenue Authority issued a public notice requiring non-resident vendors of digital services to consumers in Uganda to register for and collect VAT effective July 1, 2018.	Yes	140
<b>Ukraine</b>	● Proposed	October 12, 2020	Ukraine's parliament recently accepted for consideration a draft law, which, if enacted, would require non-residents providing digital services to Ukrainian consumers to register for and collect VAT effective January 1, 2021 if their taxable sales exceed UAH 1 million per year.  On October 2, 2020, Ukraine's parliament accepted for consideration a draft Law 4184, which, if enacted, would require non-residents providing digital services to Ukrainian consumers to register for and collect VAT effective January 1, 2022 if their taxable sales exceed UAH 1 million per year.	Yes	141
<b>United Arab Emirates</b>	✓ Enacted	December 1, 2017	Effective January 1, 2018, the UAE require non-resident vendors of digital services to consumers in the UAE to register for and collect VAT.	Yes	142
	✓ Enacted	August 17, 2020	The Federal Tax Authority ('FTA') in the UAE has recently published an E-commerce VAT guide providing guidance on the VAT treatment of e-commerce sales of goods, the provision of electronic services and the VAT treatment of e-commerce platforms.	Yes	143



✓ *Enacted*

● *Proposed/Public  
Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
<b>United Kingdom</b>	✓ Enacted	March 13, 2018	Effective March 15, 2018, 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, HMRC will have the power to treat both the seller and the operator as jointly and severally liable for any under declaration of VAT.	No	144



Enacted

December 8, 2020

On July 20, 2020, the UK tax authority (HMRC) published a policy paper, which, if enacted, would require effective January 1, 2020, non-resident vendors of low value consignments or online marketplaces through which non-residents facilitate the sale of goods to final consumers in the UK. According to the policy paper, for imports of goods from outside the UK in consignments not exceeding £135 in value (which aligns with the threshold for customs duty liability), the UK will be moving the point at which VAT is collected from the point of importation to the point of sale. This will mean that UK sales VAT, rather than import VAT, will be due on these consignments. The new arrangements will also involve the abolition of Low Value Consignment Relief, which relieves import VAT on consignments of goods valued at £15 or less. Online marketplaces (OMP), where they are involved in facilitating the sale, will be responsible for collecting and accounting for the VAT. For goods sent from overseas and sold directly to UK consumers without OMP involvement, the overseas seller will be required to register and account for the VAT to HMRC. In addition, for sales of goods by overseas sellers, where the goods are already in the UK at the point of sale, we will move the responsibility for accounting for VAT from the overseas seller to the OMP that facilitates the sale. Overseas sellers will remain responsible for accounting for the VAT on goods already in the UK and sold directly to UK consumers without OMP involvement.

Yes

145

On October 5, 2020, HMRC issued a policy paper on changes to VAT treatment of overseas goods sold to customers effective January 1, 2021. According to the policy paper, effective January 1, 2021, the UK will begin collecting VAT at the point of importation, rather than the point of sale, for goods valued at not more than GBP135 (\$177).

On November 20, 2020, HMRC published the Guidance on VAT and overseas goods sold to customers in Great Britain using online marketplaces effective January 1,



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
			2021. The guidance covers the rules that will apply following the end of the transition period for the UK's exit from the EU.		
	● Public Announcement	October 9, 2019	HMRC announced that in case of Brexit, non-resident vendors of digital services will no longer be subject to the EU-wide simplified Mini One-Stop Shop (MOSS) mechanism. As a consequence, non-resident businesses selling digital services to consumers in the UK will be 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 will also be required to register for MOSS in another EU Member State in case of Brexit.	Yes	146
	✓ Enacted	March 11, 2020	Effective December 1, 2020, VAT on digital publications are zero-rated	N/A	147
<b>United States</b>	✓ 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, about 40 states 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	Yes	148



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
	●	Announcement	November 16, 2020		
			The Department of Taxation and Finance of New York recently issued an advisory opinion concluding that receipts from digital advertisements produced by the taxpayer's prewritten computer software were subject to sales and use tax. The opinion concludes that by granting customers access to the software for their own use, the taxpayer was making a sale of taxable tangible personal property to the extent any of its customers' employees who used the software were in New York.	N/A	149
<b>Uruguay</b>	✓	Enacted	July 27, 2018		
			Effective January 1, 2018, services related to businesses involved in the digital economy are subject to income tax and VAT in Uruguay even if the services are provided from a foreign jurisdiction.	Yes	150
<b>Uzbekistan</b>	✓	Enacted	January 1, 2020		
			Effective January 1, 2020, Uzbekistan requires non-resident vendors of digital services to consumers in Uzbekistan to register for and collect VAT. However, the implementing rules on registration and compliance are still pending.	Yes	151



✓ *Enacted*

● *Proposed/Public Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
Vietnam	✓ Enacted	June 24, 2020	<p>Recognizing that the sale or supply of goods and services to individuals via an e-commerce business model may have historically fallen outside the scope of the Vietnamese income tax system, Vietnam planned to implement a new e-commerce withholding tax regime effective July 1, 2020. This withholding tax will apply to all designated business-to-consumer (B2C) and business-to-business (B2B) transactions. The effective date has been postponed for six months and will be effective January 1, 2021 (even though the mandated effective date in the law is July 1, 2020).</p> <p>Under the new e-commerce withholding system, financial institutions will be responsible for collecting the withholding tax on the subject transactions (how they are to do this remains unclear). The withholding tax rates to be applied are not statutorily prescribed and need to be determined on a case-by-case basis by reference to the foreign contractor tax (FCT) rates by treating at each transaction separately. In other words, the withholding taxes to be collected are variable and consist of a VAT component, at rates of 2% – 5% and corporate income tax component, at rates of 1% – 10%. Financial institutions will need to update their customer terms and conditions to accommodate this new law (and specifically regarding the obligation to withhold amounts from payment under instructions received from account holders). The Vietnamese government is currently developing a new centralized IT platform to specifically deal with this withholding tax collection matter.</p>	Yes	152



✓ *Enacted*

● *Proposed/Public  
Announcement*

✗ *Proposal rejected*

Country	Status	Latest development	Brief description	In line with OECD Guidance	Cite
<b>Zimbabwe</b>	✓ Enacted	January 20, 2020	Effective January 1, 2020, Zimbabwe requires non-resident vendors of radio, television, and digital services to consumers in Zimbabwe to register for and collect VAT.	Yes	153



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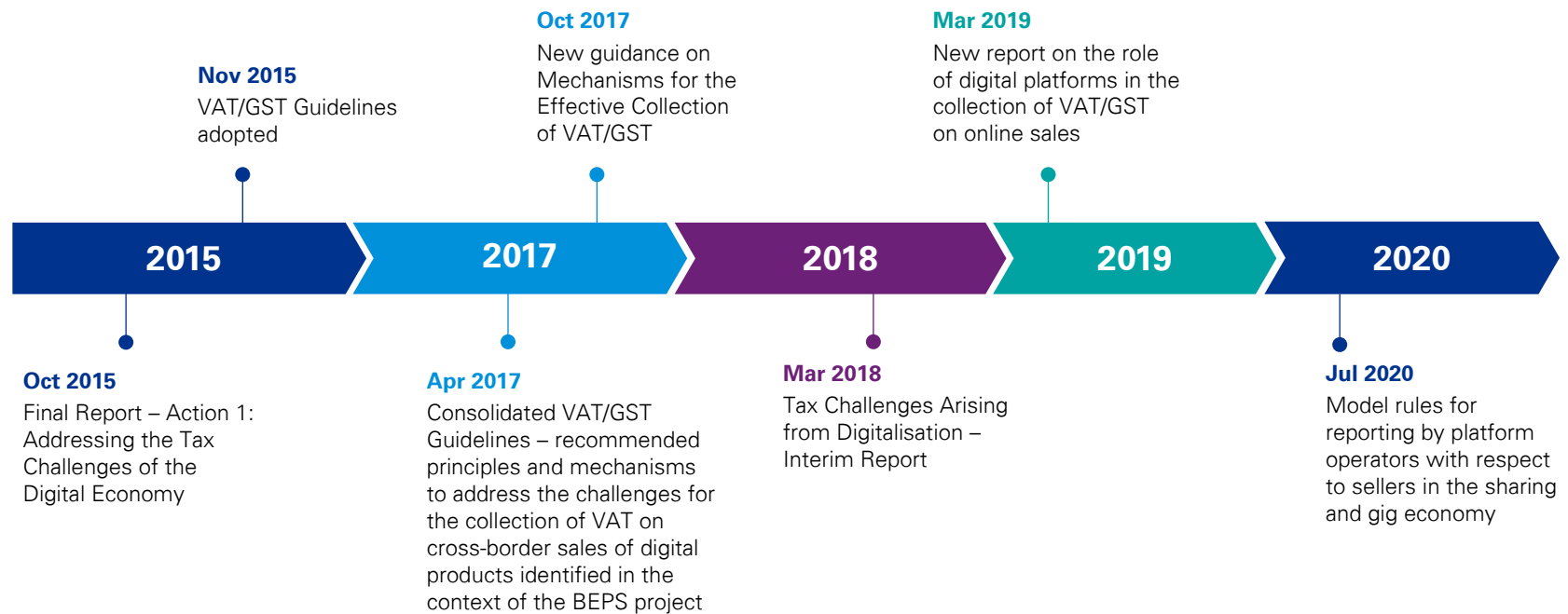


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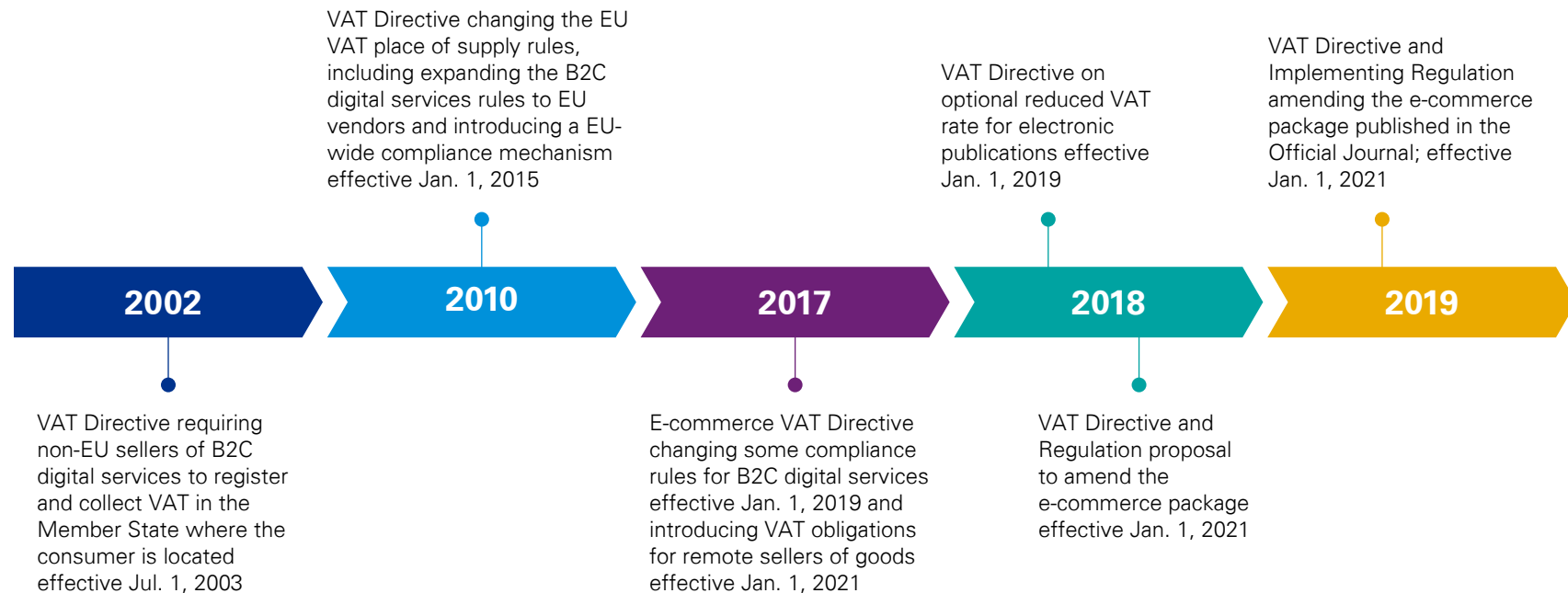


## OECD Milestones – Indirect taxes





## EU Milestones – Indirect taxes





# Taxation of the digitalized economy

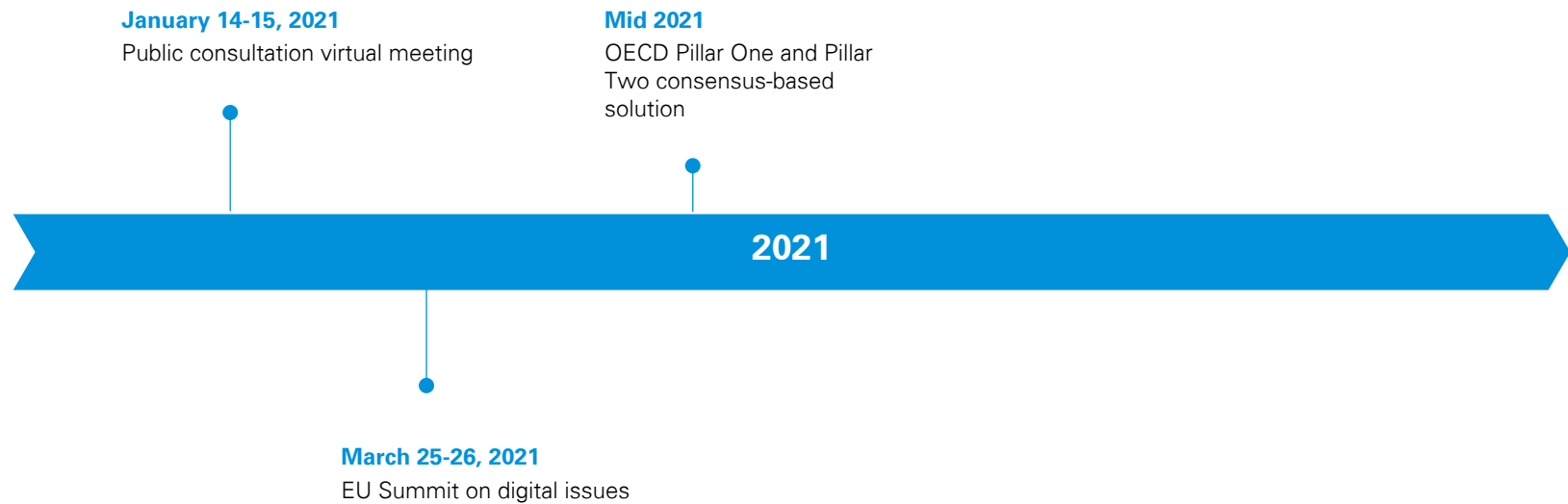
**What's next?**





## What's next?

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



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