

TAXING DIGITAL ECONOMY AFTER OECD/G20 BEPS PROJECT

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THE ISSUE

MNEs harness digitalisation to operate in market/consumer country without any physical presence

TAX PLANNING

Any revenue collected at source jurisdictions

New Nexus

HOW TO ADDRESS THAT CHALLENGE?

Transfer Pricing Rules

Virtual PE

- Digital presence
- Economic presence
- Long-term solution

Equalization Levies

- Digital Service Tax (DST)
- Interim solution
- User Participation proposal

Withholding taxes

- New kind of income in tax Conventions
- Our proposal: to broaden royalty concept

CONCLUSION

1. Profit allocation on a value chain analysis.
2. Avoid unilateral measures (DST)
3. Tax where effective value is created, not always aligned where is consumed (Value Added-Taxes)

