

European e-commerce industry strongly supports global tax reform deal

Today, the G20 Finance Ministers and Central Bank Governors (FMCBG) will start their two-day meeting to further the agreement on international tax reform that was reached on 1 July by the OECD/G20 Inclusive Framework. The two-pillar tax reform package on taxing rights redistribution and a minimum tax solution aims to address the tax challenges arising from the digitalisation of the economy.

“Ecommerce Europe has always argued that the OECD is the only venue to achieve a globally coordinated reform of international taxation rules. We very much welcome the agreement that was reached by an overwhelming majority of the 139 countries that comprise the OECD/G20 Inclusive Framework, and strongly encourage both the EU and its Member States to focus all their efforts on successfully finalising and implementing the globally agreed solution. A key element of success will be the removal of national digital services taxes”, commented Luca Cassetti, Secretary General of Ecommerce Europe.

While Ecommerce Europe welcomes the global tax agreement progress, strong concerns remain about the European Commission’s plans to propose an EU digital levy at this crucial moment of the global negotiations. We are concerned that the proposal will not only distract from but also has the potential to derail the global talks that have been championed by Europe for so long. To ensure complementarity between the global agreement and the upcoming EU digital levy, Ecommerce Europe strongly suggests the Commission to postpone the proposal until at least October, when there is further clarity on the final details of the global tax deal and its implementation.

In addition, Ecommerce Europe questions the EU’s intention to introduce a levy that targets the digital economy. Digitalisation is increasingly becoming a crucial element to change business models creatively towards omnichannel and offering opportunities to tap into new revenue streams. Against this context, it is becoming more and more complicated to distinguish what is digital from what is not. Moreover, the perception that only digital businesses have developed during the pandemic and should thus be responsible for raising the funds for the recovery is not in line with the reality. Digitalisation is something to be encouraged, and not discouraged through a separate tax or levy. Finally, Ecommerce Europe stresses that, following the global agreement, EU Member States should take the necessary steps to remove their national digital services taxes. In parallel, in the EU proposal, the Commission should ensure that a provision is included that ensures that no company faces double or even multiple taxation.

Ecommerce Europe will continue to support the work undertaken at global level and encourages the EU and the Member States to focus their efforts on a successful delivery and implementation of a globally coordinated reform of international tax rules.

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