BREAK-OUT SESSION B: FOCUS ON INTERNATIONALLY TRADED SERVICES AND INTANGIBLES

OVERVIEW AND IMPLEMENTATION STATUS OF INTERNATIONALLY RECOMMENDED SOLUTIONS FOR DIGITAL TRADE AND E-COMMERCE

Sixth meeting of the OECD Global Forum on VAT

Tuesday 27 January 2026
Paris, France

Presentation by OECD Secretariat

Key VAT challenges of the digital economy

All international digital trade

- Significant economic presence of sellers and digital platforms without physical presence.
- Inconsistent global implementation of VAT regimes for digital trade a major challenge for businesses.

International supplies of services and intangibles

- “Place of taxation” rules in many countries fail to capture VAT on B2C supplies of services where the supplier performs and delivers the service remotely from another jurisdiction.

International supplies of (low-value) goods

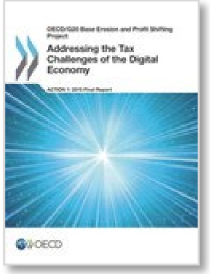
- Challenge to VAT neutrality from long-standing VAT reliefs for low-value imported goods.
- Customs authorities overwhelmed by volumes of low-value imported goods.

Sharing and gig economy

- Potential effects: Base erosion, compliance and VAT neutrality.

OECD CFA Working Party No. 9 on Consumption Taxes (WP9): An iterative approach to addressing the VAT challenges of digital trade

2015



Addressing the Tax Challenges of the Digital Economy, Action 1 – Final Report

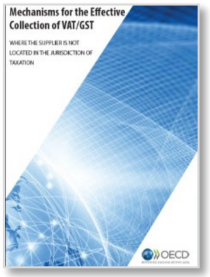
Presents solutions for the efficient collection of VAT on digital trade

2016

The International VAT/GST Guidelines

Global standard for the application of VAT to international trade in services and intangibles

2017



Mechanisms for the Effective Collection of VAT/GST

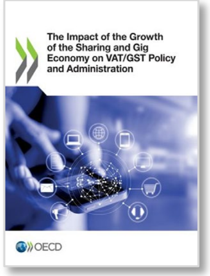
Detailed guidance on the design and operation of a simplified VAT compliance and collection regime for non-resident online sellers

2019

The Role of Digital Platforms in the Collection of VAT/GST on Online Sales

Including the design of platform liability for collecting and remitting the VAT on the transactions that they facilitate

2021



The Impact of the Growth of the Sharing and Gig Economy on VAT/GST Policy and Administration

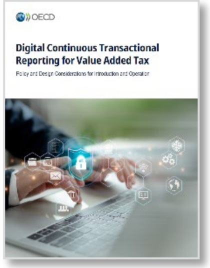
Guidance on the design and implementation of an effective VAT policy response to the growth of the sharing and gig economy

2023

VAT Digital Toolkits

Including for LAC, Asia-Pacific and Africa. They provide tailored support for implementing VAT on digital trade, addressing the specific needs of developing economies

2026



Digital continuous transactional reporting for VAT

Guidance on efficient DCTR design, implementation and operation

Overview of the core OECD VAT recommendations

1. **Create an effective legal basis for right to tax inbound international supplies**
   - ✓ In particular, implement a **"place of taxation" rule for supplies of services and intangibles** by reference to the location of the customer (usual residence of the customer for B2C supplies).
   - ✓ For imported goods, consider transferring the responsibility to collect VAT from customs authorities to non-resident suppliers.
2. **Implement an efficient and effective collection mechanism**
   - ✓ Introduce a requirement for non-resident suppliers to register and account for the VAT on remote international sales, including low-value imported goods, through a **simplified registration and collection mechanism**.
3. **Leverage the power of digital platforms to enhance VAT collection**
   - ✓ Further facilitate and enhance compliance by **enlisting online marketplaces and other digital platforms** in VAT collection on inbound international supplies.
4. **Facilitate compliance and strengthen enforcement through modern, data-driven risk management and administrative co-operation**
   - ✓ Complement a simplified compliance regime with the implementation of a modern **risk-based compliance strategy** and robust **administrative co-operation**.

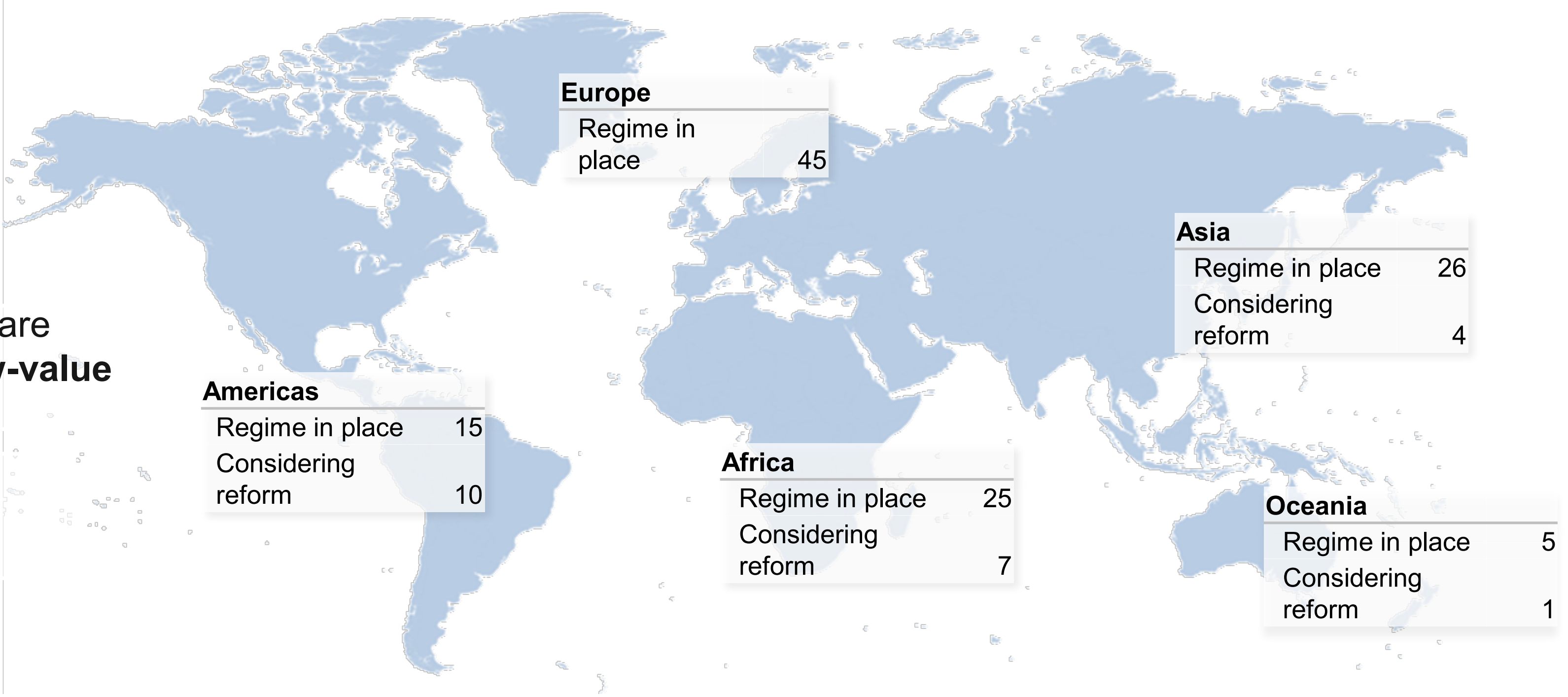
Global implementation of VAT on e-commerce continues to grow

116 — Jurisdictions have implemented VAT reform directed at **digital services**

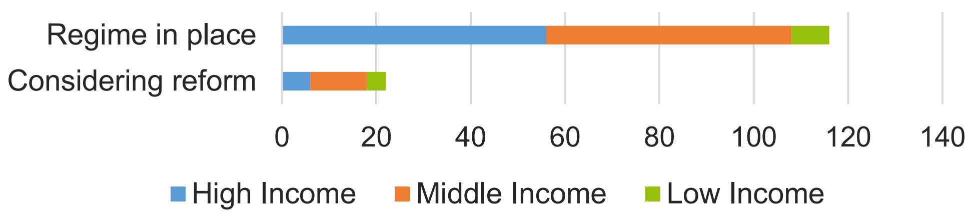
Incl. **44** — Subsequently implemented or are considering VAT reform for **low-value imported goods**

12 — Brought measures into force in **2024-25**

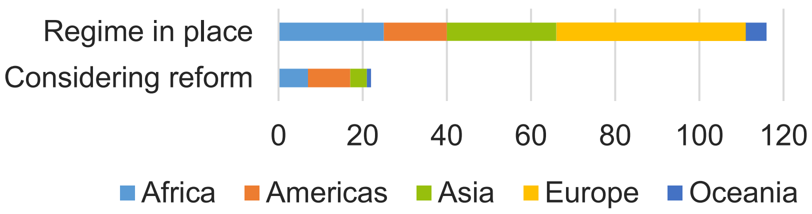
22 — Are considering VAT reform directed at digital trade



Distribution by Income Level



Distribution by Region



Data as of January 2026. Classifications are merely indicative. This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.