

VAT/GST and the Sharing/Gig Economy: Policy responses – Emerging models Business perspectives and experience

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From objective to policy design

- Clarifying the policy problem helps selecting the best solution
 - Rules can be highly disruptive, affecting pricing, tourism, and market dynamics
- Why not start with data? Gain insight in your market before collection obligations
- Layering obligations may only add limited value: choosing reporting *or* collection reduces the burden
- Have you considered other options per OECD guidance?



Policy design considerations

- Importance of simplicity, neutrality and real-world operations
 - Rules may affect thousands of platforms, not only a few large players
 - Not all platforms process or control payment flows
 - Platform-on-platform models raise questions around liability
- Simplicity & Scalability can truly support effective collection and revenue outcomes
- Risk of unintended consequences, including shifts toward offline activity (black economy)



Operational reality: systems, scale, lead time

- Platform systems are complex and require meaningful lead time to change
- Huge burden on tax engineering to KTLO, build new operations and support the business
- It is not as simple as a few strokes on the keyboard - no copy paste
- Lead time at least 12 months **after** the rules are final



Key takeaway

- Let's have a chat – business is here and happy to support



Q&A

