

# Implementing internationally recommended solutions in a national context: lessons, challenges, trends

*Insights from a business perspective*  
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# What Businesses Ask For

Business Request	Details / Rationale
<b>Consistent and Simple Rules</b>	Adopt OECD recommendations to ensure harmonized and straightforward application of new VAT digital trade rules across jurisdictions.
<b>International Collaboration</b>	Encourage dialogue between countries to share lessons learned and best practices for implementation.
<b>Consultation with Business</b>	Engage businesses from the design phase through to implementation to understand commercial realities and create regimes that work for both tax authorities and taxpayers.
<b>Appropriate Lead Time</b>	Provide a minimum of 6–12 months (or up to 18 months for Low Value goods regime) after publishing implementation guidance and registration details, allowing businesses to prepare and update systems.
<b>Targeted Measures</b>	Focus digital VAT/GST measures on B2C transactions, where compliance and collection challenges are greatest.
<b>Phased Implementation</b>	Start with rules for electronic services to build and test the system, set up the portal, and ensure operational readiness. Only after the system is proven should the scope be expanded to include, for example, low value goods. Attempting to implement all changes at once can overwhelm and paralyze both tax administrations and the business community.
<b>Effective Communication</b>	Launch public education campaigns and provide clear information to suppliers and consumers well ahead of go-live dates.



# Key Challenges for Business and Tax Administration

Challenge	Details / Impact
<b>System Readiness</b>	If online portals are not live, businesses cannot register, file, or pay VAT/GST. VAT cannot be charged without a VAT ID. Temporary solutions to register and obtain a VAT ID (email, hardcopy) are not effective; all systems must be ready before go-live.
<b>Fiscal Representative Requirements</b>	Mandatory fiscal reps add cost and compliance burden, especially for MNCs. Most countries now allow simplified returns without a fiscal rep; optional reps may help smaller companies.
<b>B2B vs. B2C Complexity</b>	Including B2B digital transactions increases requirements (e.g., invoices for B2B, not B2C). B2C should not require invoices; B2B should align with existing business invoice formats.
<b>Unclear Effective Dates and Late Legislation</b>	Legislation and guidance sometimes published too late for businesses to adapt. Engineering roadmaps are set 6–12 months in advance; sudden changes disrupt planning and resource allocation.
<b>Code Freeze Periods</b>	Code freeze periods (e.g., Dec 19, 2025 – Jan 5, 2026) restrict system changes to ensure stability during holidays or peak business times. Implementing new VAT regimes or rate changes during a code freeze is highly disruptive, especially without sufficient lead time or guidance.
<b>Phased Implementation is Key</b>	A phased approach is essential. Start with electronic services to build and test the system, set up the portal, and ensure operational readiness. Expanding scope only after the system is proven avoids overwhelming both tax administrations and the business community. Attempting all changes at once can paralyze operations and postpone go-live dates.
<b>Customer Communication</b>	Businesses need to notify customers ahead of regime changes, especially for all in regime, where customer status verification is required. Minimum notice is 2-3 weeks, but longer is preferable for complex changes.
<b>Registration and Payment Issues</b>	Delays or burdensome processes for obtaining VAT IDs prevent businesses from charging VAT. MNCs prefer to pay directly, without intermediaries or fiscal reps, to avoid extra costs and manual intervention. Local currency payment requirements can create FX and treasury challenges.
<b>Trend Toward Complexity and Inconsistency</b>	"Simplified" VAT registration regimes for non-residents are becoming increasingly complex and inconsistent. Non-residents may be required to police resident taxpayers, participate in local e-invoicing regimes, or comply with additional reporting requirements. This undermines the principle of simplicity and increases compliance burdens.