



Overview and implementation status of internationally recommended solutions for digital trade and e-commerce



Key VAT challenges of the digital economy

All international digital trade

- Significant economic presence of sellers and platforms without physical presence
- Inconsistent global implementation of VAT regimes for digital trade 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



Working Party No. 9 on Consumption Taxes (WP9) – Background

An iterative approach to addressing the VAT challenges of digital trade



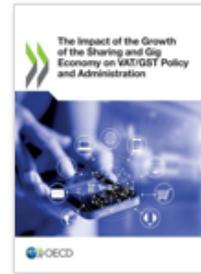
Addressing the Tax Challenges of the Digital Economy, Action 1 – Final Report

Presents solutions for the efficient collection of VAT on digital trade



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



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



Digital continuous transactional reporting for VAT

Guidance on efficient DCTR design, implementation and operation

2015

2016

2017

2019

2021

2023

2026

The International VAT/GST Guidelines

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



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



VAT Digital Toolkits

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



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 (e.g. usual residence of the consumer for B2C)
- ✓ 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

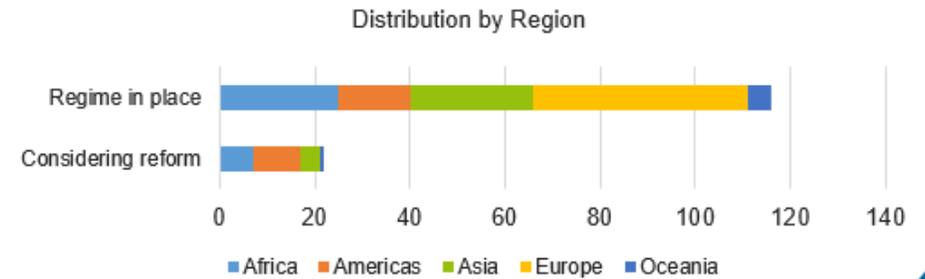
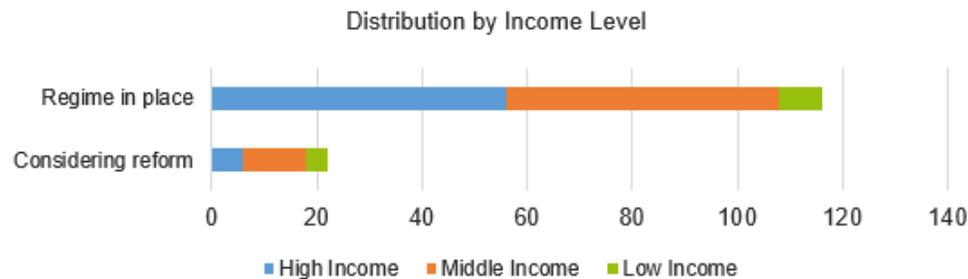
- ✓ Further facilitate and enhance compliance by **enlisting online marketplaces and other digital platforms** in VAT collection on inbound international supplies

4. Facilitate compliance and strengthen enforcement through modern, data-driven risk management and administrative co-operation

- ✓ Complement the 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 guidance continues to grow



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.