

Perspectives on Taxation: The Global Tech Sector

Abstract:

The increasing movement of commerce online has sparked stronger interest in genuine discussions about making sure the international tax system is fit for the 21st century. While this system has traditionally based taxation on where companies have a physical presence, digitalization has allowed value creation and engagement of users far beyond that physical presence for companies in every sector. This has led to discussions about whether the longstanding norms that underpin the international tax system should be updated to better reflect today's economy. Today's presentation will explore the advent and evolution of digital services taxes, focusing in particular on how these measures divert from longstanding tax and trade principles before turning to the measures impact consumers and businesses of all sizes. The presentation will close by demonstrating that because these rules have to do with how all governments tax companies operating across borders and jurisdictions, only a consensus-based international approach can ensure the consistency necessary for companies, regardless of sector, to continue to predictably do business in the global economy.