AGENDA

VIRTUAL WORKSHOP
Addressing the VAT/GST Challenges of
the Digitalisation of the Economy

8-10 December 2020
Monday, Tuesday, Wednesday: 06:00 – 09:00 (Paris time)
Thursday: 06:00 – 09:30 (Paris time)

INTERNATIONAL MONETARY FUND

PFTAC

PACIFIC FINANCIAL TECHNICAL
ASSISTANCE CENTRE

OECD
BETTER POLICIES FOR BETTER LIVES

cata Commonwealth Association of Tax Administrators
promoting excellence in tax administration

PITAA
Pacific Islands Tax Administrators Association

Introduction

The Value Added Tax (VAT; also called Goods and Services Tax - GST) is now implemented in over 160 countries in the world where it raises on average one fifth of the tax revenue and still more countries are adopting it. **The key role of VAT is generally recognised by governments** and tax policy makers in dealing with fiscal consolidation pressures and promoting growth. A growing number of countries that operate a VAT are implementing or considering fundamental reform to improve the revenue raising capacity of the tax and to adapt it to the context of the booming digital economy. This is a key priority for the OECD to actively support countries in this exercise.

Most international trade is now subject to VAT and the interaction of national VAT regimes can potentially have a major impact in either facilitating or distorting trade. Against this background and facing risks of under-taxation, double taxation and trade distortions, the OECD has developed, with input of non-OECD economies, businesses and academia, the *International VAT/GST Guidelines* (the Guidelines), which provide an **internationally agreed standard for applying VAT to cross-border trade**. These Guidelines were endorsed by over 100 jurisdictions and international organisations worldwide at the Global Forum on VAT in November 2015 and have been adopted as a Recommendation of OECD Council in September 2016. The Principles of the Guidelines were also welcomed by G20 Ministers in 2015 as part of the BEPS Action 1 Report on the challenges of the Digital Economy. The Guidelines have since been complemented by two reports providing more in-depth guidance to jurisdictions, in October 2017 with the report on "*Mechanisms for the effective collection of VAT/GST where the supplier is not located in the jurisdiction of taxation", and* in June 2019 with the report on *"The role of digital platforms in the collection of VAT/GST on online sales".* The Action 1 Report also identified a number of possible approaches for a more effective VAT/GST collection on the significantly growing volume of imports of low value goods from online sales. The role of the Guidelines was also recognised in the 2018 *Report on Tax Challenges arising from Digitalisation*.

The challenges posed by the development of the digital economy hit all the regions in the world and VAT/GST legislation is being adjusted in many jurisdictions to face these challenges. In this context, a growing number of jurisdictions are seeking assistance from the OECD, the World Bank Group (WBG) and regional development banks/bodies for the **development of regional toolkits** providing tailored guidance to the needs of the regions.

In recent years, digital transformation and advancements in technology have also led to the **rapid growth of the sharing/gig economy**, which represents a transition from traditional ownership of assets by individuals towards a new accessibility-based economic model whereby human or physical resources and/or assets are shared for either monetary or non-monetary benefits or a combination of both. While the underlying type of activities are not new (e.g. transportation, accommodation), the scale, scope and frequency of such sharing transactions are reaching an unprecedented degree on a global scale, which inevitably gives rise to a variety of VAT policy and administration challenges.

The outbreak of the Covid-19 resulted in a health and economic crisis without precedent in recent history. Governments around the world have introduced expansive containment measures to slow down and reduce infection rates, which had sudden and profound economic impacts. Countries have also acted forcefully to limit the damage caused by these measures to the economy. Short-term fiscal policies have focused on maintaining business liquidity and supporting household income through a mix of spending and tax policies. VAT policy and administration measures are a key element of these measures. The OECD Secretariat has been requested by tax authorities worldwide to organise the sharing of experiences and analysis in this area and to identify and share best/good practices.

The fight against VAT fraud also becomes a key issue for governments. The globalisation and the digitalisation of the economy make international co-operation in this area of increasing relevance. Legal instruments to support such co-operation exist and can be used by most governments.

Structure and objective of the virtual workshop

The objective of this virtual workshop is to share policy analysis and experience and to identify best practices in respect of a number of key issues of VAT design and operation. These issues are:

- Applying VAT to cross-border trade, incl. best practices in simplified registration systems, the role of platforms in the VAT collection and the customs issues

- VAT challenges and opportunities from the sharing economy

- Developing regional assistance in the adjustment of local VAT legislation to face the challenges of the digital economy

- VAT measures in the context of the Covid-19 crisis

- Addressing VAT fraud and improving international administrative co-operation

Participating organisations

This workshop is organised with the following international organisations

- Commonwealth Association of Tax Administrations - CATA

- Organisation for Economic Cooperation and Development - OECD

- Pacific Financial Technical Assistance Centre – PFTAC - IMF

- Pacific Islands Tax Administrations Association - PITAA

Contributions by Participants

Due to the Covid-19 situation, this workshop will be held in a virtual format on three days / 3 hours a day. E-learning modules that will be available on the KSP-Platform will be used as pre-work for participants before attending the sessions so that the workshop itself can focus on case studies, countries' experiences and responses to questions from participants.

Participants are encouraged to follow the e-learning modules and review the background material in advance of the workshop. They are also encouraged to send their questions in writing to the event leader (stephane.buydens@oecd.org) in advance of the workshop in order to ease structured responses during the event.

Experts

- Stéphane Buydens, OECD Secretariat (workshop leader)
- Australia (TBC)
- New Zealand (TBC)
- United Kingdom: Kshama Purohit
- IMF: Robert Kokoli, Andja Komso, Matsudaira Tadatsugu, Mick Thackray

Tuesday 8 December 2020	
Paris time	
6.00 - 6.20	**Introduction** • Opening Remarks (OECD/CATA/PITAA/PFTAC) • Objective and organisation of the Workshop
06:20 - 06:35	**SESSION 1 The OECD work on the tax challenges of the digitalisation of the economy** • Tax challenges of the digitalisation of the economy – The VAT/GST aspects of BEPS • Questions and answers
06.35 – 07.20	**SESSION 2 VAT/GST taxation of cross-border supplies of services and intangibles – Jurisdiction's experiences** • Experience in Australia • Experience in New Zealand
07.20 – 07.35	Break
07.35 – 08.10.	**SESSION 2 (continued) VAT/GST taxation of cross-border supplies of services and intangibles – Jurisdiction's experiences** • Experience in the United Kingdom • Questions and answers
8:10 – 9:00	**Session 3 Taxing the importations of e-commerce goods** • The OECD perspective - BEPS Action 1 Report • Customs issues • Questions and answers

Wednesday 9 December 2020
Paris time	
06.00 - 07.20	**SESSION 4 Taxing the importation of low-value goods – Countries' experiences** • Experience in Australia • Experience in New Zealand • Experience in the United Kingdom • Questions and answers
07.20 – 07.35	Break
07.35 - 08.00	**Session 5 Taxing the sharing economy under VAT/GST** • The OECD work and early experiences in jurisdictions • Questions and answers
8.00 - 08.25	**Session 6 The Toolkits Programme** • Introduction to the Toolkits Project • The experience with Latin American Countries • Next steps
8.25 – 9:00	**SESSION 7 VAT/GST Responses to the Coronavirus (Covid-19) Crisis** • Analysis of VAT/GST responses to the Covid-19 crisis – Governments perspective • Analysis of VAT/GST responses to the Covid-19 crisis – Business perspective • Questions and answers
9.00 – 9.10	**Introduction to the case studies**

| 10 December 2020	
Paris time	
06.00 – 07.00	**SESSION 8 Discussion on case studies** • Group discussion • Analysis of responses to case studies • Questions and answers
07.00 – 07.30	**Session 9 – Assessing potential revenue from the taxation of inbound e-commerce supplies** • The IMF perspective • Questions and answers
07.30 – 07.45	Break
07.45 – 08.30	**SESSION 10 Tax administration issues: ensuring effective collection and combatting fraud and avoidance on cross-border trade** • The IMF perspective • Experiences in Australia • Experience in New Zealand
08.30 – 09:00	**SESSION 10 (continued) Tax administration issues: ensuring effective collection and combatting fraud and avoidance on cross-border trade** • Experience in the United Kingdom • Risk management experience in Fiji
9.00 – 09.30	**SESSION 11 International Administrative cooperation in the VAT/GST area** • The OECD tools and practical experiences in Australia, New Zealand and the United Kingdom • Questions and answers
09.30	Closing remarks

ANNEX 1: KSP REGISTRATION

Follow the 6 steps below to register for the KSP$_{TA}$:

1. Go to www.ksp-ta.org

2. Select the language of your choice
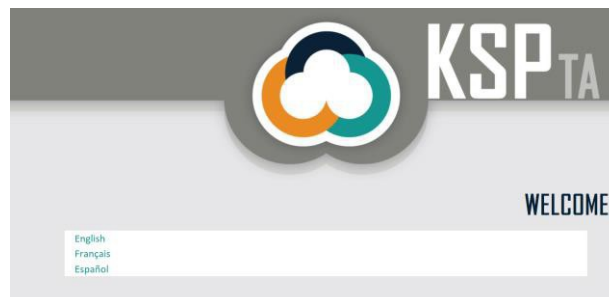
3. Click "**Don't have an account? Click here to register**

4. Complete all fields of the online form. Remember to register with your work email. In the field country/organization, select your own country.

5. Once you have filled and sent your registration form, you will receive an email to **confirm your email address.** Click to confirm. If you have not received it, check your **spam folder**. If you have not received it, contact info@ksp-ta.org

6. After you will receive another email to **create your password**. Click to create your password.

7. Register on the workshop page by clicking on the KSP event webpage.

You can now access the KSP$_{TA}$.