



The Task Force on the Digital Economy (TFDE)

Status & next steps

EU Parliament, TAX3, 10 September 2018



The Task Force on the Digital Economy (TFDE)

Initial Mandate (September 2013)



Subsidiary
Body of the
CFA

Work
mandated by
the Action
Plan on BEPS
(Action 1)

BEPS Action
1 Report
delivered in
October 2015

New Mandate (January 2017)



Subsidiary
Body of the
Inclusive
Framework
on BEPS (IF)

Follow-up
work
mandated by
BEPS Action
1 Report

Interim
Final Report
by end 2020
March 2018

IF & TFDE

117 jurisdictions working
on an equal footing





2015 Action 1 Report - Overview

BEPS can be exacerbated by digitalisation

No ring-fencing of the digital economy

No unique BEPS issues

Key Findings

Agreement that further work is required....

Direct tax and indirect tax

No consensus on the broader direct tax issues

Number of broader tax challenges



TFDE work after 2015 – New Mandate

Work Programme

Monitor developments in the business use of digital technologies

Analysis of new business models and determinants of value creation

Monitor BEPS implementation and analyse data

Monitor developments in the taxation of the digital economy

Discuss suitability of the existing tax framework and possible tax policy options



Public Consultation - November 2017

- **53 written submissions** in reply to the request for input
- **Public consultation meeting** at the University of California (Berkeley)
 - Over **100 people** attended
 - Live webcast



Breakdown of submissions





G20 Finance Ministers' Leadership

October 2015

(Lima)

- Endorsement of BEPS package, incl. the BEPS Action 1 Report

March 2017

(Baden-Baden)

- Renewed mandate
- Timeline for interim report advanced to spring 2018

October 2017

(Washington DC)

- Agreement to continue work on tax policy options, including interim measures

March 2018

(Buenos Aires)

- Approval of the Interim Report
- Commitment to work on a consensus-based solution





The 2018 Interim Report



8 Chapters, in particular...

In-depth analysis of how digitalisation affects markets, business models and value creation

Stock-taking exercise on BEPS implementation and impact on BEPS issues

Monitoring of other tax measures adopted by countries potentially relevant to digitalisation

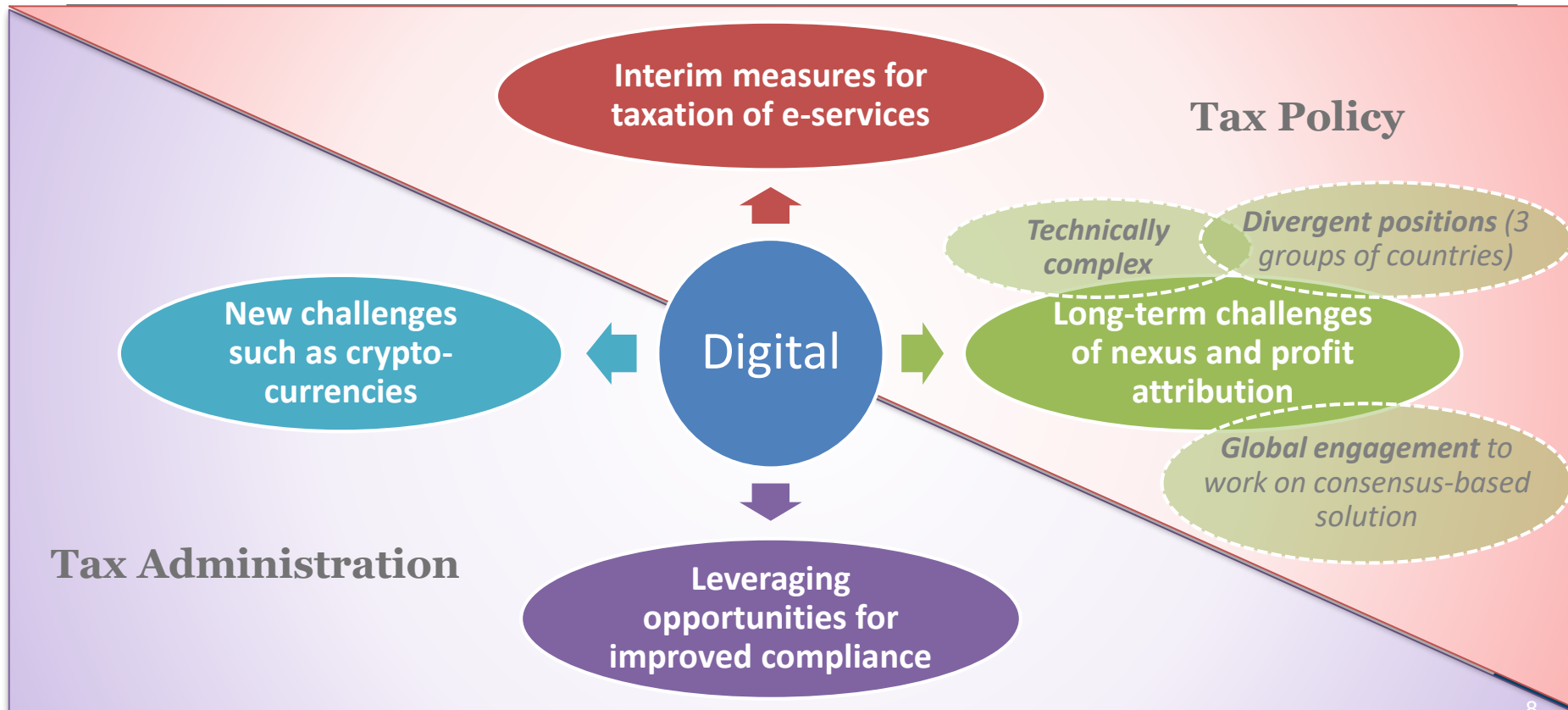
Discussion of systematic challenges and possible adaptations of the tax framework (long-term solutions)

Discussion of pros & cons of Interim measures, with a view to minimise the harm

Description of how digitalisation can help improve tax services and compliance (special feature)



In a nutshell... key challenges from digitalisation





Next phase of work – 2018/2020

TFDE meeting
December 2018

Update to G20
2019

Final Report
2020

