

# Digital taxation: EU Member States should wait till 2020 and focus on the OECD BEPS initiative

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Along with many Member States and other European industries, DIGITALEUROPE believes that a comprehensive, global, long-term tax solution should be negotiated at the OECD. Furthermore, the OECD should be given the time to complete its work as scheduled, in 2020.

*“National governments should be careful not to fall in the trap of agreeing by year-end a package of ill designed digital tax measures to be implemented ‘as is’ in 2021, depending on the OECD final recommendations”,* said Cecilia Bonefeld-Dahl, Director-General of DIGITALEUROPE.

She added: *“This is because this package will be as flawed then as it is today: as a matter of fact, agreeing to impose a tax based on gross revenues and targeted to one particular sector of the economy amounts to deciding to deliberately harm the competitiveness of the EU and risk retaliation measures from other countries.”*

Speaking of timeline, the EU Member States should be afforded a well-deserved timeout, following nine months of hard, uninterrupted reflection on the digital tax proposals of the European Commission. Member States will be able to take advantage of this 18-month reprieve to participate more actively in OECD discussions aimed to shape the global consensus on a long-term solution.

DIGITALEUROPE urges national governments to wait until 2020 and participate with partners in the base erosion and profit shifting (BEPS) initiative led by the OECD. In shaping future rules, due regard should be given to the following two considerations:

- there is no digital economy, only a fast-digitizing economy, world-wide. Changes in the global tax framework should therefore cover the whole economy.
- to safeguard the principle of fairness and integrity in tax policy, any tax on corporate activity should be linked to profit, not revenues; it should comply with applicable tax treaties and not result in double taxation.

For more information please contact:

Patrice Chazerand, DIGITALEUROPE’s Policy Director  
+32 476 56 33 93 or [Patrice.Chazerand@digitaleurope.org](mailto:Patrice.Chazerand@digitaleurope.org)

Lionel Sola, DIGITALEUROPE’s Director of Communications & Political Outreach  
+32 492 25 84 32 or [Lionel.Sola@digitaleurope.org](mailto:Lionel.Sola@digitaleurope.org)

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DIGITALEUROPE represents the digital technology industry in Europe. Our members include some of the world's largest IT, telecoms and consumer electronics companies and national associations from every part of Europe. DIGITALEUROPE wants European businesses and citizens to benefit fully from digital technologies and for Europe to grow, attract and sustain the world's best digital technology companies. DIGITALEUROPE ensures industry participation in the development and implementation of EU policies.

DIGITALEUROPE's members include in total over 35,000 ICT Companies in Europe represented by 63 Corporate Members and 39 National Trade Associations from across Europe. Our website provides further information on our recent news and activities: <http://www.digitaleurope.org>

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