

# In tax shift, Facebook to declare ad revenues locally

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Facebook, in a bow to transparency, has announced it plans to declare certain ad revenues in the country where they are made and not in Ireland, where it has a greater tax advantage.

The social networking giant said the move was in response to pressure from governments and [policy makers](#) for greater visibility into sales made in their countries.

"In simple terms, this means that [advertising revenue](#) supported by our local teams will no longer be recorded by our international headquarters in Dublin, but will instead be recorded by our local company in that country," Dave Wehner, Facebook's [chief financial officer](#), said in a statement released Tuesday.

He said the changes in tax reporting would be made by mid-2019 in countries where Facebook has an office supporting advertisers.

Rules for corporate taxes, as conceived for traditional economic activity, are based on the principle of "permanent establishment".

To be taxed, a company must have a physical presence in a country, but digital enterprises can offer their services over the Internet from a country of their choice, like Ireland, which offers Facebook tax advantages.

Facebook's taxes on ad revenues in 2015 were minimal in France and Germany, but amounted to nearly 7.9 billion euros in Ireland, where there are fewer Facebook accounts.

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