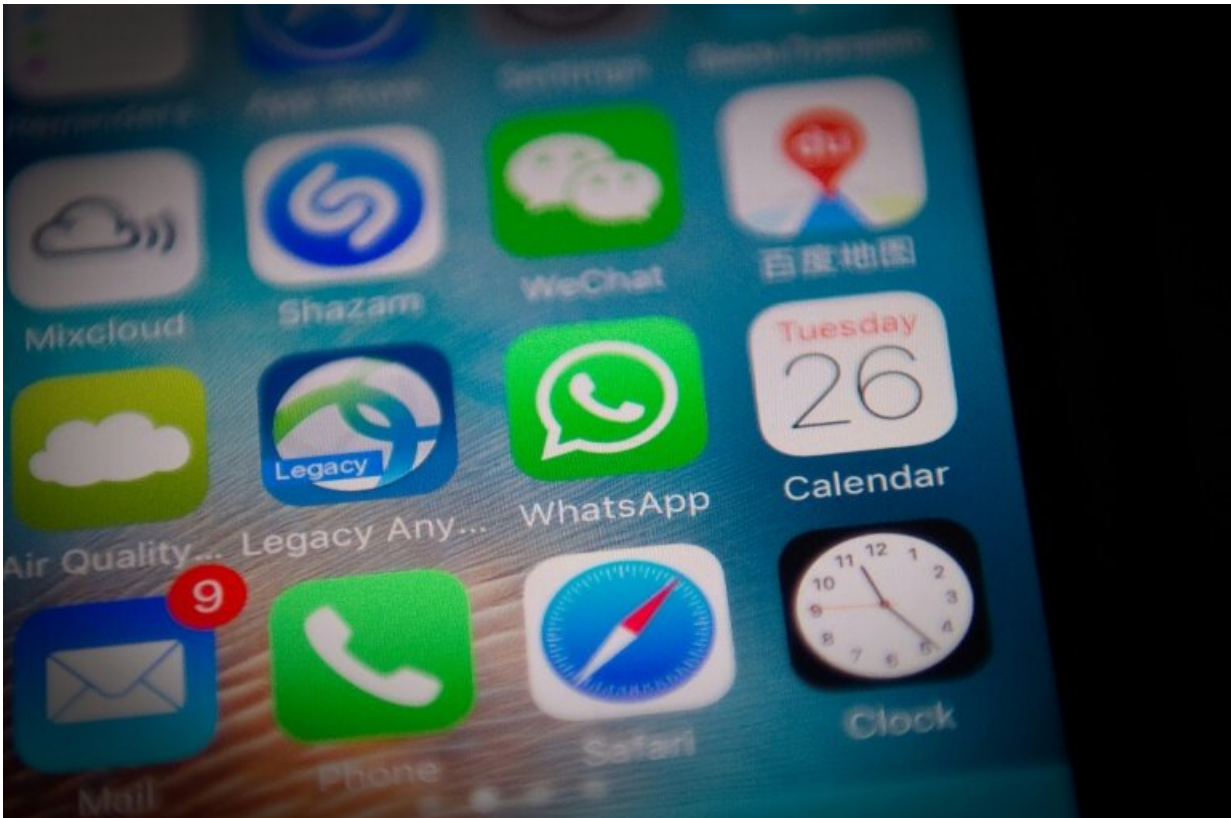


# OECD hopes for global digital tax by 2020

January 24 2019

---



The possibility of an international deal to tax US tech giants is sensitive, as countries threaten to go it alone and Europe is divided on the issue

OECD Secretary-General Angel Gurría said Thursday he hopes to lay the foundations this year for an international tax on digital giants that could come into force in 2020.

The possibility of an international deal to tax US tech giants such as Amazon, Google and Facebook is sensitive, as countries threaten to go it alone and Europe is divided on the issue.

"It is possible," the head of the Organisation for Economic Development and Cooperation (OECD) told AFP at the World Economic Forum in Davos.

"I believe that the conditions exist to lay the foundations for an agreement this year that could be approved and enter into force in 2020," he said.

The prediction comes a year after the scheme looked doomed as member countries failed to agree a text presented to the G20.

At the time, "we didn't think we could do it this year", acknowledged Gurria, who believes that "a space for consensus could now open up".

The tax proposal would likely hit the sales of digital companies, instead of profits, which the [tech companies](#) tend to bank in the most tax-friendly jurisdiction.

Faced with the difficulties of reaching an agreement within the OECD and even the EU, countries such as Britain, France and Spain have announced their intention to unilaterally tax the giants.

In Davos, Google vice president Ruth Porat supported the negotiations overseen by the Paris-based OECD, which groups advanced economies.

"We are very frank: we support the OECD initiative," she said.

In France, Finance Minister Bruno Le Maire had initially defended, without success, the adoption of a tax on digital giants at the European

level.

Ireland, Denmark and Sweden have blocked the plan by the EU, while powerful Germany was lukewarm, fearing US retaliation against its car industry.

© 2019 AFP

Citation: OECD hopes for global digital tax by 2020 (2019, January 24) retrieved 16 July 2024 from <https://phys.org/news/2019-01-oecd-global-digital-tax.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.