



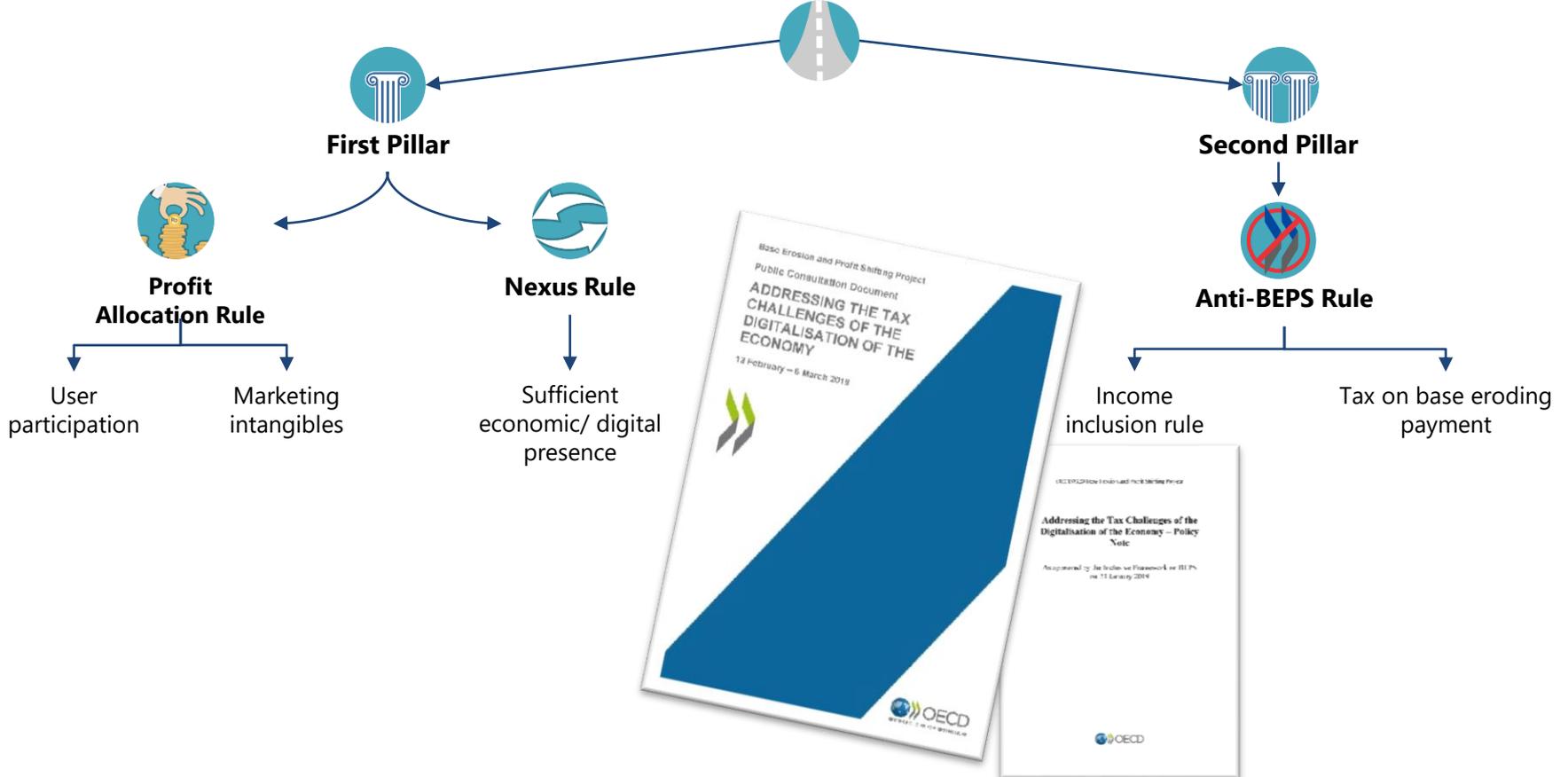
# Tax Aspect on Digital Economy Transactions

Income Tax Issues

DDTC Fiscal Research

# Proposal for Global Consensus

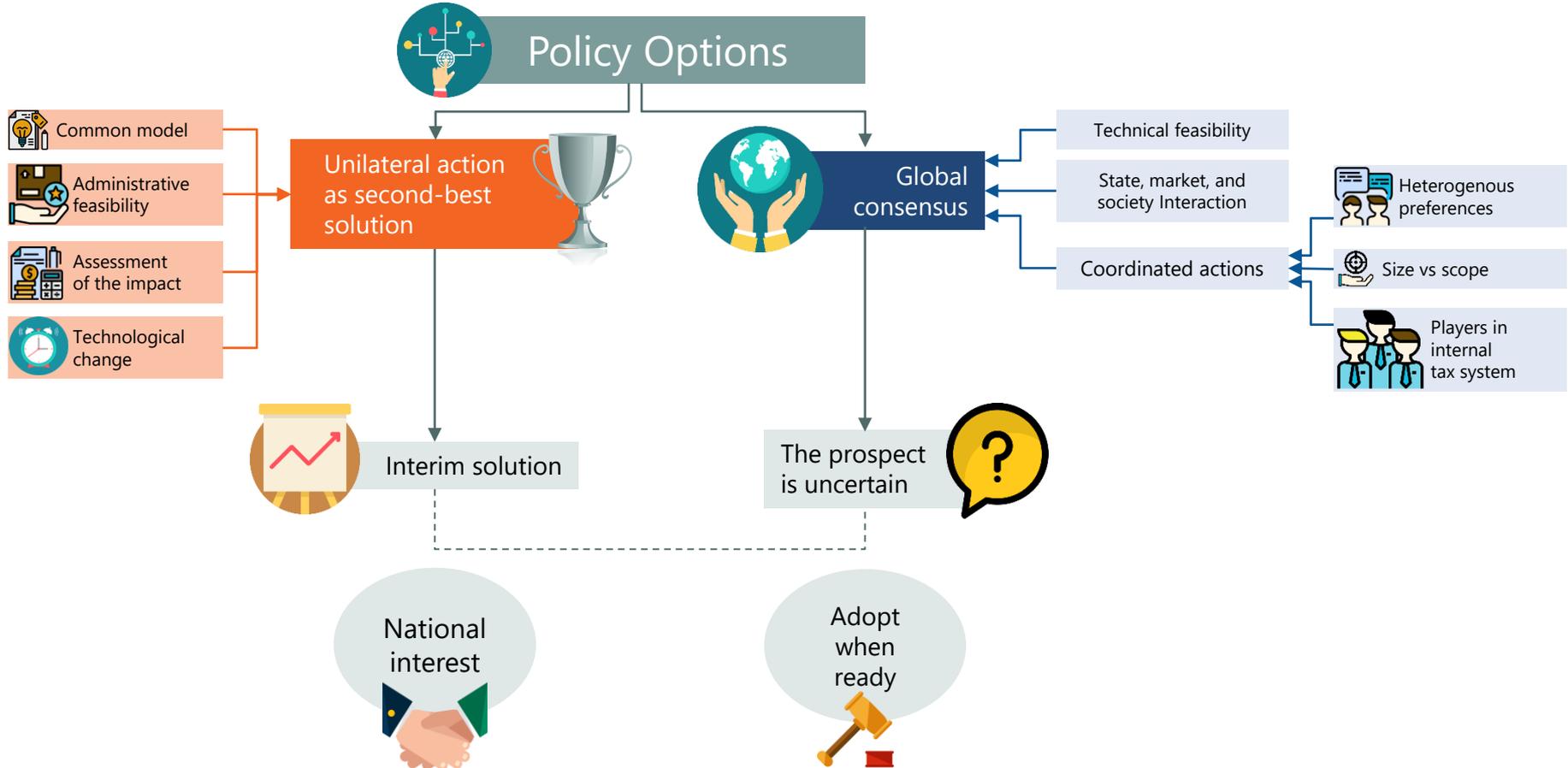
## Proposed Way Forward



# Digital Service Tax: Trends

|   | European Commission   | France   | Italy   | U.K.  | Chile  | India   | Uruguay  |
|---|---|--|---|---|--|---|--|
| <b>Date of introduction</b>                         | Proposal  | 1 January 2018   | 1 January 2019  | 6 April 2020  | Proposal   | 1 January 2016  | 1 January 2018   |
| <b>Tax Rate</b>                                     | 3%  | 2%; (10% for certain content)  | 3%  | 2%  | 10%  | 6%  | 12%  |
| <b>Thresholds/ Exemptions for in-scope business</b> | Based on revenues  | Based on revenues   | Based on transactions  | Based on revenues  |   | Based on aggregate payments  | Based on intermediation services  |
| <b>Taxable Person(s)</b>                            | All companies.  | All companies.   | Non-resident companies. Withheld by payer.  | All companies.  | Non-resident companies. Withheld by payment intermediaries.                          | Non-resident companies. Withheld by payer.  | Non-resident   |
| <b>In-scope activities</b>                          | Online advertising, digital intermediation services, sale of data generated by users.               | Sales and rentals of video storage media, videos on demand, and advertising and sponsorship revenues derived by paid-for or free online video sites. | Digital services supplied via the internet or other networks.   | Search engines, social media platforms and online marketplaces.                                       | Digital brokering, advertising, entertainment, intermediation, and storage services. | Online advertising purchased by Indian buyers.  | AV services and digital mediation or intermediation services.  |
| <b>Taxable revenues</b>                             | Portion of annual worldwide revenues attributable to EU users.                                      | Revenues received from French residents.   | Revenues received from Italian resident or Italian Pes of non-residents (B2B).                          | Portion of annual worldwide revenues attributable to U.K. users.                                      | Revenues received from Chilean consumers (B2C).                                      | Revenues received from Indian residents or Indian Pes of non-residents.   | Revenues received from Uruguayan residents (Uruguay-based IP address or user billing address)                        |

# Policy Options



# Thank You

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## Global Recognition:



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