TAX POLICY ON E-COMMERCE

SUBAGIO EFFENDI
OECD presents plan to close tax loopholes

By Vanessa Hudler

A plan to close international tax loopholes was outlined on Tuesday by the Paris-based Organisation for Economic Co-operation and Development, which warned that a failure to take action against profit shifting by multinationals would put "the integrity of the corporate income tax" at stake.

In a report on "base erosion and profit shifting" issued ahead of Friday's G20 finance ministers' meeting, the OECD, which draws up global tax standards, acknowledged that tax-dodging by multinationals had fuelled a perception that "taxes are only paid by the naive".

The study, which followed a corporate tax pact between German, UK and France, ordered action to stem standards.

The New York Times | International Herald Tribune

BUT NOBODY PAYS THAT G.E.'s Strategies Let It Avoid Taxes Altogether

By DAVID KODZIERNIEWSKI
Published: March 24, 2011

General Electric, the nation's largest corporation, had a very good year in 2010.

The company reported worldwide profits of $14.2 billion, and said $5.1 billion of the total came from its operations in the United States.

BEPS PROJECT

BEPS Action Plan published in July 2013
15 Actions organised around *three* main pillars:

- The *coherence* of corporate tax at the international level
- A realignment of taxation and *substance*
- *Transparency*, coupled with certainty and predictability
E-COMMERCE TRANSACTIONS

Online Marketplace
Classified Ads
Daily Deals
Online Retails
E-COMMERCE ROAD MAP

Projected USD 130 billion transaction value by 2020...!!
TAX POLICY ON E-COMMERCE

- Creating a “level-playing field” with conventional business
- No additional type of tax
- Preserving tax base for cross-border e-commerce
- Improving tax compliance for SMEs
TAX ON E-COMMERCE (SE-62/PJ/2013)

- Income Tax (Treaty)
- Value Added Tax
MOVING FORWARD....??

BEPS Recommendations

CHALLENGES AHEAD

Policy improvement

Implementations
THANK YOU

subagio.effendi@gmail.com