General Assembly ati 23

ATI Technical Session 3

How to tax the digitalised economy – perspectives from developing countries

Tax systems that work for people and advance the Sustainable Development Goals

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AGENDA

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Time (CAT)	Item	Responsible
14:00 – 14:10	Welcome and introduction to topic	ATI Secretariat & TJNA
14:10 – 14:30	Overview of available options (Amount A, Article 12B, DST, SEP, Deemed Profit Approaches)	South Centre
14:30 – 15:00	Digital Service Taxes and Article 12b Regime: Country experiences from Pakistan	Pakistan
15:00 – 15:30	Digital Service Taxes: Country experiences from Kenya	Kenya
15:30 - 16:00	Q&A	All members
16:00 – 16:20	Coffee Break	
16:20 – 17:00	Presentation of a potential cost-benefit estimation approach, incl. estimated results from Amount A and Article 12B Regimes for ATI partner countries	South Centre
17:00 – 18:00	Breakout Sessions incl. Presentations	All members

BREAK OUT GROUPS

- Division into 5 break out groups
- Time for discussion: 30 minutes
- Presentation of results: 25 minutes (5 minutes per break-out group)

BREAK OUT GROUPS

- <u>Guiding questions:</u>

<u>Question 1:</u> Have measures already been considered or even introduced in your country to ensure the taxation of the digitalised economy?

(FR: Des mesures ont-elles déjà été envisagées ou même introduites dans votre pays pour assurer la taxation de l'économie digitalisée?)

<u>Question 2:</u> Have cost-benefit analyses/revenue estimations been carried out in your country in order to evaluate the several options presented today in your national context?

(FR: Des analyses coûts-avantages/estimations des recettes ont-elles été réalisées dans votre pays afin d'évaluer les différentes options présentées aujourd'hui dans votre contexte national ?)

<u>Question 3:</u> How could the ATI support you in this regard? *(FR: Comment l'ATI pourrait-elle vous aider à cet égard ?)*

<u>Question 4:</u> Which of the presented options do you think is most suitable for your country? *(FR: Parmi les options présentées, laquelle vous semble la plus adaptée à votre pays?)*

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BREAK OUT GROUPS

➢ Case study on Amount A and Article 12b (optional)

- ➢ Question 1: Assume the following facts. Company X has revenues of EUR 182 billion and adjusted PBT of EUR 40 billion. It derives EUR 7 billion from Country X, which has a corporate income tax rate of 35%. There is no deduction under the Marketing and Distribution Safe Harbour. How much tax **under Amount A** will Country X collect from Company X?

- ➢ Question 2: What is the amount of final tax collected by State S **under Article 12B** net method in respect of the following dataset?

Segmental Accounts not available		
1)	Gross revenue arising in State S and paid to State R	100
2)	Overall profitability ratio of Beneficial Owner	25%
3)	Overall profitability ratio of MNE group	30%
4)	Domestic CIT rate of State S	30%

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THANK YOU FOR YOUR ATTENTION!

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