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Summary

This policy brief makes the following key points:

- The G20/OECD Base Erosion and Profit Shifting (**BEPS**) Project is an international initiative intended to strengthen the international tax system through the adoption of a 15 point plan and the 2021 Pillar One and Pillar Two consensus proposals.
- BEPS Action 1 concerns the challenge of the global digital economy for taxation. This Policy Brief addresses the recommendations of the Action 1 report concerning the international tax design of consumption taxes. Policy Briefs16/2021 and 17/2021 address the Two-Pillar Solution for income taxes in a global digital economy.
- The fundamental principle of jurisdiction for most consumption taxes, including Value Added Tax (VAT) or Goods and Services Tax (GST), is the destination principle which requires that consumption of goods and services is taxed in the jurisdiction of the consumer. The VAT or GST enacted in 170 countries around the world faces challenges in a global digital economy.
- The fundamental problem is how to levy VAT or GST on cross-border online supplies from Business to Consumers (B2C), for both digital and physical goods, and tax avoidance or base-eroding risks for cross-border Business-to-Business (B2B) supplies.
- Cross-border B2C transactions raise issues of how to tax digital supplies where the supplier or intermediary sales platform is outside the jurisdiction, and how to track and effectively collect tax on imports of low-value goods acquired by consumers online. Governments that do not collect VAT or GST on cross-border digital B2C supplies lose tax revenue and this produces an uneven playing field for domestic and foreign businesses.
- The 2016 International VAT/GST Guidelines recommend an approach to taxing cross-border B2C supplies of services and intangibles. The BEPS Action 1 report and its implementation package provide a range of approaches for the collection of VAT/GST on the importation of low-value goods. These recommendations are being adopted in many countries around the world.
- Nearly 80 jurisdictions have applied VAT or GST to cross-border B2C supplies of services and intangibles through online sales by foreign vendors, although with diverse collection mechanisms. Most OECD countries have implemented simplified registration and collection regimes for non-resident suppliers.
- Australia has applied the Action 1 recommendations for consumption tax, including an extension of the GST to digital products and services imported by Australian consumers and to the importation of low-value goods acquired online. Tax revenue collected from these measures has exceeded forecasts.
- The 27 EU member states and some other jurisdictions have implemented the removal of VAT exemption thresholds for the importation of low-value goods in online sales. The EU has established a One-Stop-Shop for the collection of VAT on goods and digital supplies which commenced full operation in July 2021. This may be a model for future cooperation of states in collecting VAT or GST on cross-border digital supplies.
- The OECD and World Bank Group are developing Regional VAT Digital Toolkits for developing and emerging economies, to support the adoption of these measures around the world.

Introduction

The rapid digitalisation of the global economy involves "three important phenomena facilitated by digitalisation – scale without mass, reliance on intangible assets, and the centrality of data – pose serious challenges to elements of the foundations of the global tax system." The Action 1 – 2015 Final Report of the OECD/G20 Base Erosion and Profit Shifting Project (Action 1 Report) identified that digitalisation creates challenges for Value-Added Tax (**VAT**) or Goods and Services Tax (**GST**) that is levied by countries around the world.

The fundamental tax challenge of the global digital economy is how to identify, track, and enforce VAT or GST on cross-border digital supplies from businesses to private consumers (**B2C**). There are also other base erosion and profit shifting (**BEPS**) risks for VAT or GST arising from business-to-business (**B2B**) supplies from offshore. These risks concerning B2B supplies can be addressed by the implementation of the destination principle recommended in BEPS Action 1 Report integrated with 2016 International VAT/GST Guidelines(VAT/GST Guidelines).

The BEPS Action 1 report was followed by a series of reports and guidance that aim to develop and implement these recommendations. These include Mechanisms for the effective collection of VAT/GST where the supplier is not located in the jurisdiction of taxation (2017), the role of digital platforms in the collection of VAT/GST on online sales (2019), Model Rules for Reporting by Platform Operators with respect to Sellers in the Sharing and Gig Economy(2020) and The Impact of the Growth of the sharing and gig economy on VAT Policy (2021).

This Policy Brief provides an overview of the implementation and impact of the main measures adopted for levying VAT or GST on cross-border digital B2C supplies around the world and in Australia. It also briefly discusses other VST or GST BEPS issues, and policy trends for the future.

1 What is BEPS?

The G20 declared the era of bank secrecy over in 2009 and later called for action to strengthen international taxation standards. The OECD responded with a 15-point Action Plan to address taxation issues with digitalisation (Action 1); and reform the international tax system to bring cohesion (Actions 2-5), restore substance (Actions 6-10), improve transparency (Actions 11-14), and develop a multilateral instrument (Action 15). This launched the international project to prevent Base Erosion (or double non-taxation) and Profit Shifting from jurisdictions where profitable activities take place: the BEPS Project.

OECD working groups developed technical policy proposals (released October 2015), recommending updates to the model tax convention, OECD-issued guidance, and domestic policy. From November 2016, the Multilateral Instrument would update more than half of the world's bilateral tax agreements.

Participation in the OECD/G20 BEPS project is now widespread, including through the launch of multiple global forums and the Inclusive Framework (now 141 jurisdictions), membership of which requires commitment to the BEPS four 'minimum standards'. Having broadly addressed its mandate to implement the proposed package, the Inclusive Framework delivered in October 2021 Pillar-One (on a new nexus approach) and Pillar-Two (on a minimum global tax) as consensus proposals to tackle the digitalising global economy.

2 Action 1: GST Challenges Arising from Digitalisation

What is the issue?

The VAT or GST (which are essentially similar in design) is the main consumption tax in approximately 170 countries around the world. In OECD countries, VAT accounted for 6.8% of GDP and 20.4% of total tax revenue on average in 2018.The purpose of VAT/GST is to impose a broad-based tax on private consumption. As an indirect tax, VAT/GST is collected from the suppliers of these goods and services rather than directly from consumers. The central design feature of VAT/GST collection is a staged collection process. Each business in the supply chain takes part in the process of controlling and collecting the tax, remitting the difference between the VAT/GST imposed on its taxed inputs and the VAT/GST imposed on its taxed outputs. Thus, the tax is in principle collected on the "value added" at each stage of production and distribution. Some businesses are exempt because the tax base of the outputs is difficult to assess (e.g., financial services) or for policy reasons (e.g., health care, education, culture).

The international tax design of VAT/GST is based on the "destination principle". This principle aims to achieve neutrality in international trade by taxing cross-border supplies in the jurisdiction where final consumption occurs. This ensures that the tax burden on supplies from foreign or domestic businesses is the same. Identifying the place of consumption is necessary to implement the destination principle. Where goods are supplied via a domestic business, it is possible to tax the import and apply VAT or GST to the domestic sale. This is more difficult for direct cross-border supplies of services, intangibles or goods to a final consumer, such as a sale through an online seller (e.g. Amazon) or an online intermediary platform (e.g. eBay or Etsy). In particular online services and intangibles such as digital streaming of movies or music, is difficult to subject to border controls. Problems also arise with goods that have a low value, as the administrative cost of collection at the border is high.

The International VAT/GST Guidelines set out the recommended approach to taxing cross-border B2B and B2C supplies. For B2B supplies, the tax rights are allocated to the jurisdiction where the customer is located and a "reverse charge" mechanism is recommended, although countries vary widely in their implementation of this standard. The business customer importing the supplies self-assesses VAT on acquisitions and remits the VAT to the tax authority where it is located. For B2C supplies that are "on-the-spot", physically performed and consumed at a readily identifiable place, VAT/GST Guideline 3.5 recommends a place of taxation rule based on the place of performance. For other supplies, VAT/GST Guideline 3.6 recommends a place of taxation rule based on the consumer's usual residence. The BEPS Action 1 Report identified that effective and efficient collection mechanisms for VAT/GST on cross-border B2C trade are chief challenges arising from digitalisation.

The first challenge arises from the strong growth in cross-borderB2Csupplies of digital services and intangibles. It is challenging for the jurisdiction where the final consumer is resident to collect the VAT or GST on cross-border services and intangibles acquired by such consumers because of a lack of physical presence of the supply and little nexus between the foreign supplier and the consumption jurisdiction. The reverse charge mechanism cannot be used for collecting VAT on direct B2C supplies, as it would essentially require all consumers to self-declare their purchases and pay the tax. This would be complex and the level of compliance is likely to be low, while the cost of enforcement is high.

The second challenge arises for cross-border online purchases of low-value goods made by individual consumers – for example, purchasing a book through an online supplier. Historically, governments often exempted imports of low-value goods from VAT or GST, as the administrative costs associated with collecting the tax would be too large. However, since the massive growth of e-commerce, there has also been a great increase in parcel volumes acquired through online shopping. Parcel volume increased from 36 billion in 2014 to 103 billion in 2019 across 13 major markets. It is most likely to more than double and reach 220-262 billion parcels by 2026, with a 14.8 percent CAGR for 2020-2024.Businesses may also deliberately structure their affairs to take advantage of a country's low-value threshold and sell goods online to consumers tax-free. Domestic retailers face an unfair playing field and have an incentive to relocate offshore in order to sell their goods free of tax also.

What does the BEPS Project recommend?

For cross-border digital B2C transactions with intangibles and low-value goods, the OECD VAT/GST Guidelines propose that the most effective and efficient approach is to require the foreign supplier to register and account for VAT/GST in the jurisdiction of the final consumer (the market jurisdiction). This may be complex and burdensome where the foreign supplier has no business presence in the market jurisdiction and it may be equally difficult for tax administrations to enforce and administer this tax.

The Action 1 report proposes that the foreign supplier registers in the market jurisdiction under a simplified regime which operates separately from the usual VAT or GST registration and collection regime. Recommendations for simplified regimes were issued in the OECD report "Mechanisms for the effective collection of VAT/GST where the supplier is not located in the jurisdiction of taxation" (2017). The Action 1 Report also recommends that governments consider removing or lowering the exemption threshold for imports of low-value goods, if they can achieve improved efficiency of processing such low value imports. A range of possible approaches include a vendor collection model with a simplified VAT/GST registration and compliance regime, and an intermediary collection model which could require transporters (such as express carriers or postal operators) or sales or financial platforms to collect the tax. The OECD is continuing work on these approaches for and in 2019 it released a report on "The Role of Digital Platforms in the Collection of VAT/GST on Online Sales".

To support enforcement in relation to foreign suppliers, the OECD "Model Rules for Reporting by Platform Operators with respect to Sellers in the Sharing and Gig Economy"(2020) establish a framework to collect information on transactions and income realised by digital platforms on a uniform basis and aim to facilitate automatic exchange agreements between jurisdictions. In 2021, the OECD extended the Model Rules to the sale of goods and the rental of means of transportation made by digital platforms.

Some VAT/GST BEPS risks also arise in a B2B context in relation to exempt businesses such as financial services. Tax structuring opportunities exist for multinational enterprises that would be exempt, such as banks, that have branches in multiple jurisdictions. For example, financial services businesses could acquire data processing services through a branch in a country without VAT/GST and then reimburse this other establishment for the cost of acquiring these services on its behalf. VAT/GST Guideline 3.2 recommends that the taxing rights on cross-border supplies of services and intangibles are allocated to the jurisdiction where the customer has its business establishment. VAT/GST Guideline 3.4 addresses BEPS risks with respect to multinational enterprises and seeks to ensure that the right to levy VAT is allocated to the jurisdiction where these services and intangibles are used for business purposes, irrespective of how their supply and acquisition is structured.

3 How has the Action Been Implemented Globally?

Nearly 80 jurisdictions have implemented rules to levy VAT or GST on cross-border B2C supplies of services and intangibles in accordance with the OECD VAT/GST Guidelines (the Table in the Appendix provides a summary). More than 30 other countries have expressed the intention to make reforms to their VAT or GST since 2020.

The incentive to collect VAT/GST on cross-border B2C supplies of services and intangibles may be attributed to the impact of the outbreak of the COVID-19 crisis, considering the rapid growth of online supplies and decline in tax revenues. There is also evidence that the new rules are working well in various countries. However, some countries such as Bhutan and Mauritius have announced proposals to reform the rules but have postponed enactment because of the difficulty of enforcement.

Regarding the registration and collection mechanisms of B2C cross-border digital supplies of services and intangibles, 68 jurisdictions, including most OECD member states require the foreign supplier to register and account for VAT/GST. Of these, 49 jurisdictions have applied a simplified registration and collection regime, generally with an option for standard registration. Many countries, including Australia, Iceland, Japan, New Zealand, Norway and Switzerland, impose the registration requirement when the annual turnover of foreign suppliers in that country exceeds the normal domestic threshold for VAT/GST registration. Some countries, such as Argentina, Azerbaijan, Bangladesh, Panama and Vietnam, do not require foreign suppliers to collect VAT/GST but rely on financial intermediaries (e.g., banks) to collect and remit the tax.

A smaller number of countries have taken steps to remove VAT exemption thresholds for the importation of low-value goods from online sales. A total of 32 jurisdictions comprising the 27 EU member states, Australia, New Zealand, Norway, Switzerland, Turkey and the UK have taken this approach, while Liechtenstein, Israel and Singapore have announced proposals to collect VAT/GST on imports of low-value goods.

An important development is the introduction in the European Union from 1 July 2021, of the One-Stop-Shop (OSS) registration system for imports of low-value goods and cross-border intangibles and services supplies. This means that one member state will manage the collection and remittance of VAT/GST for other member states. In practice, a business enterprise in the One Stop Shop system will register for the One Stop Shop in one member state and will electronically submit its OSS VAT returns detailing the relevant supplies and remitting the VAT to that state's tax authority. These OSS VAT returns, along with the VAT paid, are then transmitted by the member state to the corresponding member states where consumers are located, via a secure communications network.

To address B2B issues, the principle of identifying the place of taxation for cross-border B2B supplies of services and intangibles in VAT/GST Guidelines has been endorsed by over 100 jurisdictions and international organisations. This serves as a standard for an increasing number of countries around the world for designing and implementing reform. This increasingly broad acceptance will help to minimise the BEPS opportunities with respect to remote digital supplies to exempt businesses.

4 How has Australia Implemented the Action?

The Australian Government responded positively to the Action 1 recommendations for reform of VAT/GST. The government was an early mover in the reform process and has now completed legislative amendments to apply the GST to digital products and services imported by Australian consumers, and to imports of low-value goods acquired online from foreign suppliers.

Cross-border digital supplies – the "Netflix" tax

In Australia's GST, one criterion for a supply to be taxable under the GST is that it is connected with Australia. Prior to the reform, supplies of services and intangibles made by non-residents to consumers in Australia were often not considered to be connected with Australia. In the 2015-16 Federal Budget, the Government announced that GST would be extended to apply to inbound supplies of services and intangibles made by non-residents from outside Australia to consumers in Australia. Two periods of consultation were conducted on draft legislation for this measure, which was passed into legislation as part of the Tax and Superannuation Laws Amendment (2016 Measures No. 1) Act 2016(2017 Act) and applied from 1 July 2017.

The reform ensures that all supplies of things other than goods or real property are connected with Australia where they are made to an Australian consumer, defined broadly to be an Australian resident consumer other than a business. This ensures that these supplies are considered taxable under the GST. Supplies of digital products, such as streaming or downloading of movies, music, apps, games and e-books as well as other services such as consultancy and professional services, will receive similar GST treatment whether they are supplied by a local or foreign supplier.

In order to collect GST efficiently on inbound consumer supplies, the reform uses the vendor-registration model and provides a simplified registration regime option to non-resident suppliers, which is recommended by BEPS Action 1 Report. In some circumstances, responsibility for remitting the GST may be shifted from the supplier to the operator of an electronic distribution platform. This occurs if the supply is made through such a platform, and the operator controls any of the key elements of the supply such as price, terms and conditions or delivery arrangements.

Imports of low-value goods - the "Amazon" tax

Australia was the first country to implement a GST regime on low-value imported goods, removing the GST threshold for low-value imported goods as recommended by the Action 1 report. In the 2016-17 Federal Budget, the Government announced that GST would be extended to apply to low-value goods purchased by consumers and imported into Australia. This measure was passed into legislation as The Treasury Laws Amendment (GST Low-Value Goods) Act 2017 (the amending Act)(2018 Act) and applied from 1 July 2018.

Under the new rules, where goods valued at $1,000 or less are purchased online by Australian resident consumers and brought to Australia with the assistance of the supplier, then the intermediaries (e.g., the operator of an electronic distribution platform) may be treated as the supplier and be subject to GST. Non-resident suppliers of low-value goods can elect to use a simplified registration regime and remit GST by themselves.

The Australian Taxation Office (ATO) has published guidance on the new legislative regime, and the simplified administrative registration process in *LCR 2018/1 GST on low value imported goods* and

LCR 2018/2 GST on supplies made through electronic distribution platforms. The Ruling *GSTR 2019/1*was also released to address the ATO interpretation of supplies connected with Australia.

5 Impact

As the VAT/GST reforms for cross-border B2C supplies are very recent, there is limited data on the impact of these Action 1 reforms, or on the broader consumption tax challenges raised by digitalisation. However, some data indicates that the implementation of the VAT/GST guidelines on cross-border B2C digital services and intangibles has led to significant additional revenue. In the EU, VAT reporting shows a year on year increase in VAT collected through the simplified compliance regime, rising from €3 billion in 2015 to €5.6 billion in 2019. In South Africa, 223 non-resident suppliers registered as e-commerce vendors and the revenue collected through the application of the recommended principles and collection mechanisms amounted to ZAR 585 million in the 2016/2017 year.

In Australia, the implementation of measures to extend GST on low-value imported goods and digital products and services has been declared a success. In its 2019-20 GST annual report, the ATO announced that revenues collected from the GST on digital products and other imported services were $352 million in 2017-18, $393 million in 2018-2019 and $438 million in 2019-2020, exceeding initial expectations. The ATO collected $385 million GST on low-value imported goods in the first year of operation of the new regime in 2019-20, much higher than the expected revenue of $300 million over three years.

On 5 July 2021, the Australian Government announced that the Board of Taxation would undertake a review into the collection of GST on the low-value imported goods to investigate what is working well and what needs reform, including easing compliance for businesses. This review will report on 17 December 2021. Meanwhile, the ATO has claimed that Australia is considered a pioneer in the collection of VAT/GST on and the Australian approach is increasingly recognised internationally by other countries and international organisations.

6 What comes next?

Developing Regional VAT Digital Toolkits

The developments summarised in this Policy Brief are revolutionary, but large challenges remain in successfully extending the collection of VAT or GST on cross-border B2C supplies in countries around the world, especially developing countries. The massive growth in global e-commerce following the COVID-19 outbreak has increased the urgency of applying VAT/GST effectively to cross-border online supplies. Many jurisdictions are considering or starting to adopt these measures but have expressed interest in more detailed practical guidance for their effective implementation and administration.

The OECD in partnership with the World Bank Group has worked on a series of Regional VAT Digital Toolkits with editions for Latin America and the Caribbean, Asia-Pacific and Africa. The VAT Digital Toolkit for Latin America and the Caribbean was published in June 2021, and the other two editions are under development. The Inter American Center of Tax Administrations (CIAT) and the Inter American Development Bank (IDB) have contributed to the published toolkit as regional partners. Australia has participated in this program to assist the OECD promote the adoption of a consistent framework.

Strengthening mutual administrative co-operation

As recognised by the 2015 BEPS Action 1 Report, the collection and exchange of information and administrative co-operation can play a significant role in overcoming challenges in implementation, particularly to support the enforcement in relation to foreign suppliers. However, in the field of VAT/GST, compared to income tax, the existing mechanisms of international cooperation are very limited (Mattes, 2016: 179). In its 2018 Interim Report on the Digital Economy, the OECD proposed to activate existing cooperation instruments and provide a framework for their practical application for VAT/GST purposes.

To collect information and facilitate automatic information exchange between jurisdictions, the OECD has developed Model Rules for Reporting by Platform Operators with respect to Sellers in the Sharing and Gig Economy and extended this to the sale of goods and the rental of means of transportation made by digital platforms in 2021.

The emerging challenge: taxing the gig or sharing economy

There are also new challenges emerging for VAT or GST from the growth of the gig economy. This can be characterized as digital platforms that facilitate services between people, their assets or services, and private customers. A 2019 study by Mastercard and Kaiser Associates shows that the sharing or gig economy has generated a gross value of USD $204 billion in 2018 and is projected to reach a gross value of USD $455 billion by 2023, due to the increasing digitalisation rate and evolving societal attitudes. Key sectors of the sharing economy include transportation (e.g.,Uber), accommodation (e.g., Airbnb), on-demand services (e.g., Doordash) and collaborative finance (e.g., Peer-to-Peer lending).

The OECD report, The Impact of the Growth of the sharing and gig economy on VAT Policy (2021) identifies the possible erosion of a jurisdiction's VAT or GST base, arising from a shift in economic activity from a relatively small number of tax-compliant traditional businesses to large numbers of new relatively small, self-employed gig businesses. These new business actors may not be subject to VAT or GST as their activity remains below a taxable threshold, and they may be less compliant with the tax. This report suggests that jurisdictions may opt for a sequenced strategy, focusing their policy action first on the dominant sharing/gig economy sectors and limiting the introduction of special regimes. It sets out possible measures to simplify compliance obligations for sharing/gig economy providers and to enforce an efficient and effective administration.

In Australia, the Treasury released exposure draft legislation in June 2021 to introduce a sharing economy reporting regime. This regime would require operators of electronic platforms to report to the ATO identification and payment information regarding sellers that participate on their platforms. The amendment would apply to ride-sourcing or short-term accommodation services on or after 1 July 2022 and to other reportable transactions on or after 1 July 2023, unless an exemption applies.

Appendix

Table 1: Implementation of VAT/GST Guidelines on cross-border B2C supplies

Jurisdiction	International VAT/GST Guidelines on cross-border B2C services and intangibles	Simplified registration and compliance regimes	VAT/GST on importation of low-value goods
Albania	Yes (as of January 1, 2015)	No (standard registration applies)	No
Algeria	No	No	No
Andorra	No	No	No
Armenia	No	No	No
Argentina	Yes (as of February 1, 2018)	No (withholding mechanism applies)	No
Australia	Yes (as of July 1, 2017)	Yes	Yes (as of July 1, 2018)
Austria	Yes (as of January 1, 2015)	Yes	Yes (as of July 1, 2021)
Azerbaijan	Yes (as of 21 April, 2021)	No (withholding mechanism applies)	No
Bahamas	Yes (as of January 1, 2015)	No (standard registration applies)	No
Bahrain	Yes (as of January 5, 2021)	No (standard registration applies)	No
Bangladesh	Yes (as of July 1, 2019)	No (standard registration and withholding mechanism apply)	No low-value goods threshold
Barbados	Yes (as of December 1, 2019)	No (standard registration applies)	No
Belarus	Yes (as of January 1, 2018)	Yes	No
Belgium	Yes (as of January 1, 2015)	Yes	Yes (as of July 1, 2021)
Bhutan	Announced (postponed to July 1, 2022)	Not available	Not available
Bolivia	Proposed	Not available	Not available
Brazil	Yes	Yes	No
Bulgaria	Yes (as of January 1, 2015)	Yes	Yes
Cambodia	Yes (as of April 8, 2021)	No	No
Cameroon	Yes (as of January 1, 2020)	No (standard registration applies)	No
Canada	Yes (as of July 1, 2021)	Yes	No
Chile	Yes (as of June 1, 2020)	Yes	No low-value goods threshold
China	No	No	No
Chinese Taipei	Yes (as of May 1 2017)	Yes	No
Colombia	Yes (as of July 1 2018)	Yes	No
Costa Rica	Yes (as of July 1 2019)	No (standard registration applies)	No low-value goods threshold
Croatia	Yes (as of January 1, 2015)	Yes	Yes
Curaçao	No	No	No
Cyprus	Yes (as of January 1, 2015)	Yes	Yes
Czech Republic	Yes (as of January 1, 2015)	Yes	Yes

Jurisdiction	International VAT/GST Guidelines on cross-border B2C services and intangibles	Simplified registration and compliance regimes	VAT/GST on importation of low-value goods
Dominican Republic	Proposed	Not available	Not available
Denmark	Yes (as of January 1, 2015)	Yes	Yes
Ecuador	Yes (as of September 16, 2020)	No (standard registration and withholding mechanism apply)	No
Egypt	Proposed	Not available	Not available
Estonia	Yes (as of January 1, 2015)	Yes	Yes
Fiji	Proposed	Not available	Not available
Finland	Yes (as of January 1, 2015)	Yes	Yes
France	Yes (as of January 1, 2015)	Yes	Yes
Gabon	No	No	No
Georgia	Yes (as of October 1, 2021)	Yes	No low-value goods threshold
Germany	Yes (as of January 1, 2015)	Yes	Yes
Ghana	Yes (as of January 1, 2014)	No (standard registration applies)	No
Greece	Yes (as of January 1, 2015)	Yes	Yes
Honduras	Proposed	Not available	Not available
Hungary	Yes (as of January 1, 2015)	Yes	Yes
Iceland	Yes (as of January 1, 2011)	Yes	No
India	Yes (as of July 1, 2017)	Yes	No
Indonesia	Yes (as of July 1, 2020)	No	No
Ireland	Yes (as of January 1, 2015)	Yes	Yes
Israel	Proposed	Not available	Proposed
Italy	Yes (as of January 1, 2015)	Yes	Yes
Japan	Yes (as of October 1, 2015)	No (standard registration applies)	No
Kazakhstan	Announced (as of January 1, 2022)	Not available	No
Kenya	Yes (as of September 2, 2013)	Yes (as of January 1, 2020)	No
Korea	Yes (as of July 1, 2015)	Yes	No
Latvia	Yes (as of January 1, 2015)	Yes	Yes
Liechtenstein	No	No	Proposed
Lithuania	Yes (as of January 1, 2015)	Yes	Yes
Luxembourg	Yes (as of January 1, 2015)	Yes	Yes
Malaysia	Yes	No (standard registration applies)	No
Malta	Yes (as of January 1, 2015)	Yes	Yes
Mauritius	Announced (as of August 7, 2020) but not enacted	No (standard registration applies)	No
Mexico	Yes (as of June 1, 2020)	No (standard registration applies)	No

Jurisdiction	International VAT/GST Guidelines on cross-border B2C services and intangibles	Simplified registration and compliance regimes	VAT/GST on importation of low-value goods
Moldova	Yes (as of April 1, 2020)	No (standard registration applies)	No
Monaco	Yes (as of January 1, 2015)	Yes	No
Morocco	No	No	No
Netherlands	Yes (as of January 1, 2015)	Yes	Yes
New Zealand	Yes (as of October 1, 2016)	Yes	Yes (as of December 1, 2019)
Nigeria	Yes (as of 2020)	No (standard registration applies)	No
Norway	Yes (as of July 1, 2011)	Yes	Yes (as of April 1, 2020)
Pakistan	Yes (as of July 1, 2021)	No (withholding mechanism applies)	No
Panama	Proposed (as of 2020)	No (withholding mechanism applies)	No
Paraguay	Yes (as of January 1, 2021)	No (withholding mechanism applies)	No
Papua New Guinea	No	No	No
Peru	No	No	No
Philippines	Proposed (as of 2020)	No	No
Puerto Rico	Yes (as of January 1, 2020)	No	No
Poland	Yes (as of January 1, 2015)	Yes	Yes
Portugal	Yes (as of January 1, 2015)	Yes	Yes
Romania	Yes (as of January 1, 2015)	Yes	Yes
Russia	Yes (as of January 1, 2017)	Yes	No
Saudi Arabia	Yes (as of January 1, 2018)	No (standard registration applies)	No
Serbia	Yes(as of January 1, 2017)	No(standard registration applies)	No
Singapore	Yes(as of January 1, 2020)	Yes	Proposed
Slovak Republic	Yes (as of January 1, 2015)	Yes	Yes
Slovenia	Yes (as of January 1, 2015)	Yes	Yes
South Africa	Yes (as of June 1, 2014)	Yes	No
Spain	Yes (as of January 1, 2015)	Yes	Yes
Sri Lanka	No	No	No
Sweden	Yes (as of January 1, 2015)	Yes	Yes
Switzerland	Yes (as of January 1, 2010)	No(standard registration applies)	Yes (as of January 1, 2019)
Tajikistan	Yes （as of January 16, 2021）	No(standard registration applies)	No
Tanzania	No	No	No
Thailand	Yes (as of September 1, 2021)	Yes	No
Tunisia	Yes (as of 1 January, 2020)	No	No

Jurisdiction	International VAT/GST Guidelines on cross-border B2C services and intangibles	Simplified registration and compliance regimes	VAT/GST on importation of low-value goods
Turkey	Yes (as of 1 January, 2018)	Yes	Yes (as of 1 June, 2019)
Uganda	Yes (as of July 1, 2018)	Yes	Yes
Ukraine	Announced (as of January 1, 2022)	Not available	No
United Arab Emirates	No	No	No
United Kingdom	Yes (as of January 1, 2015)	Yes	Yes (as of January 1, 2021)
Uruguay	No	No	No
Uzbekistan	No	No	No
Venezuela	No	No	No
Vietnam	Yes (as of January 1, 2021)	No (withholding mechanism applies)	No
Zimbabwe	Yes (as of 1 January, 2020)	No	No

*Source: KPMG,*Taxation of the digitalized economy; *IBFD*, BEPS Country Monitor

Table 2: NET GST REVENUE FROM CROSS-BORDER MEASURES

	2017-18 $m	2018-2019 $m	2019-20 $m
Imported services and digital products	352	393	438
Low value imported goods	N/A	357	385
Total	352	750	823

Note: Imported services and digital products commenced on 1 July 2017. Low value imported goods commenced on 1 July 2018.
Source: Australian Taxation Office, GST administration annual performance report 2019-20

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