



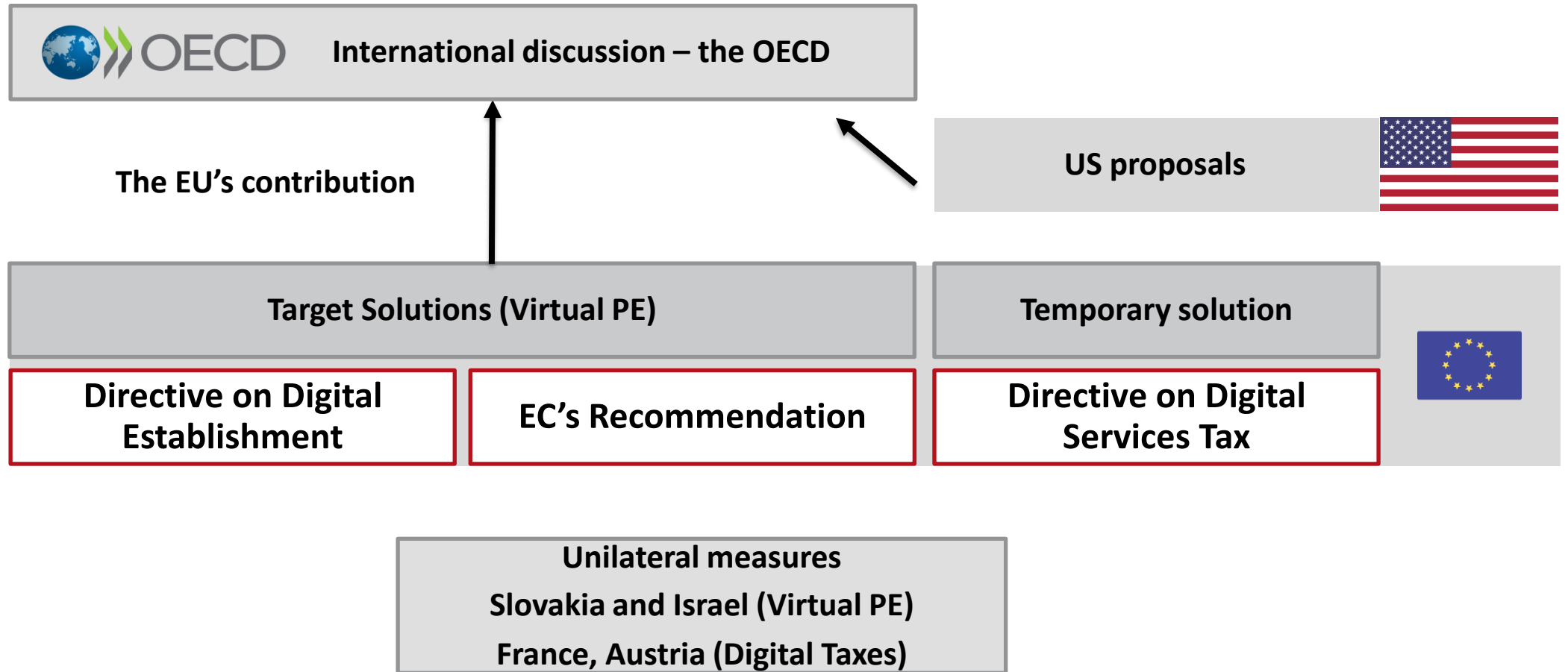
Google

Facebook

● Amazon

**Digital services tax (DST)
as an alternative to WHT**

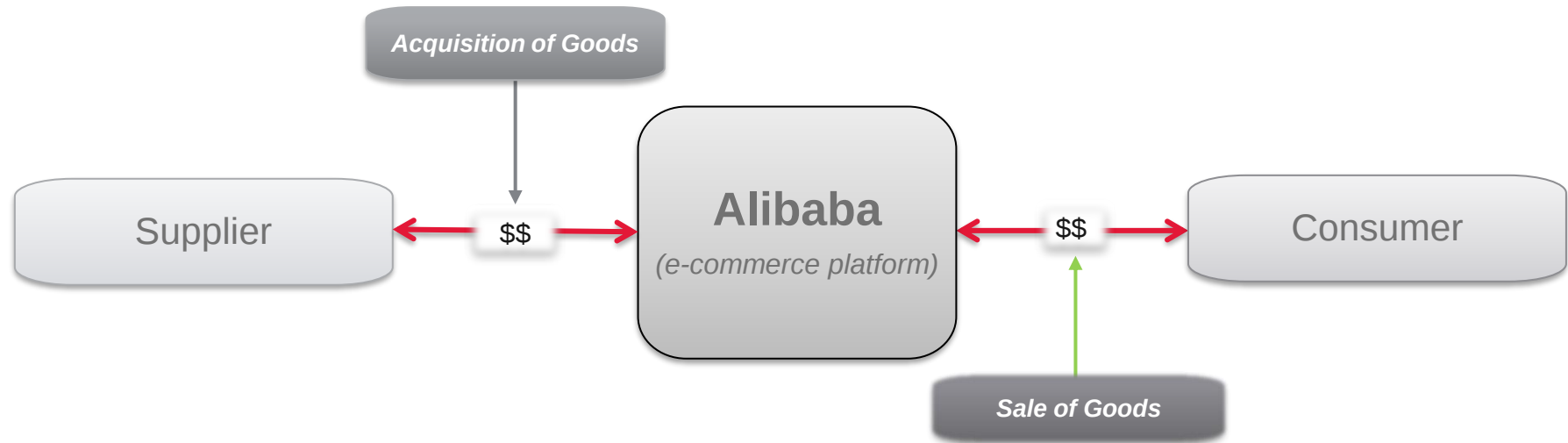
Taxation of the digital(izing) economy – overview of selected trends



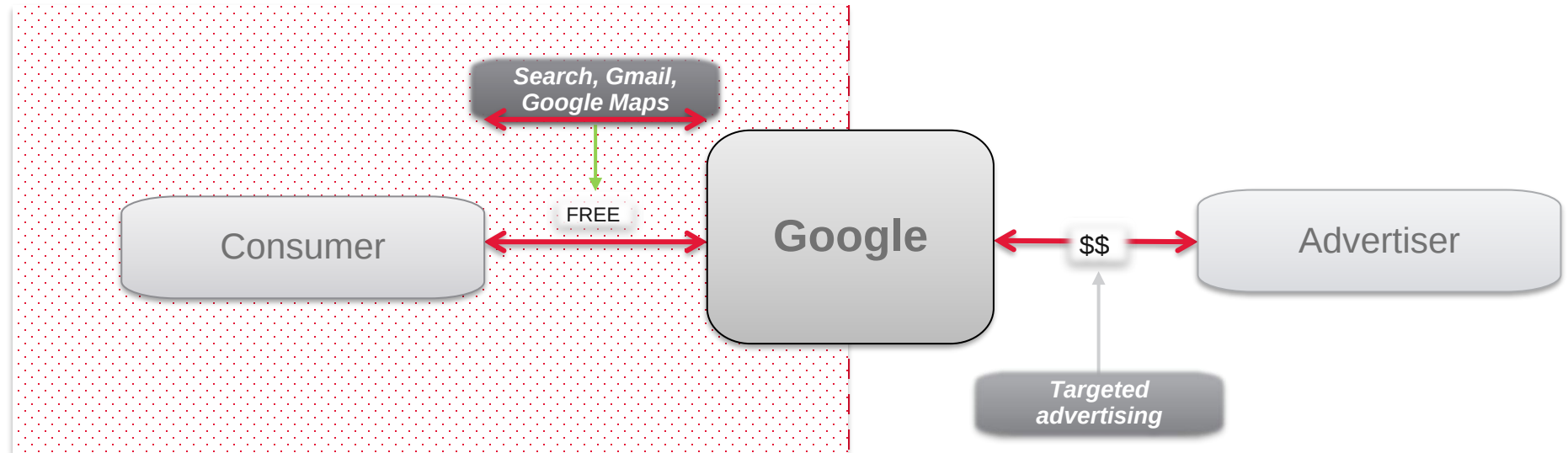
Allocation of taxing rights and economic transformation

- ❑ Paradigm of Conflict: Residence State vs. Source State
 - **Reduction of burdens at source** (OECD Model Convention, US, and UN)
 - **Construction of EU tax directives** (Parent-Subsidiary Directive, Interest and Royalties Directive)
 - Permanent establishment => 19th-century construction unsuitable for the 21st century
 - New concept of "**user/consumer state**"
- ❑ Goods vs. Services
- ❑ Emergence of production chains and "empty" entities
- ❑ Digitization/robotization

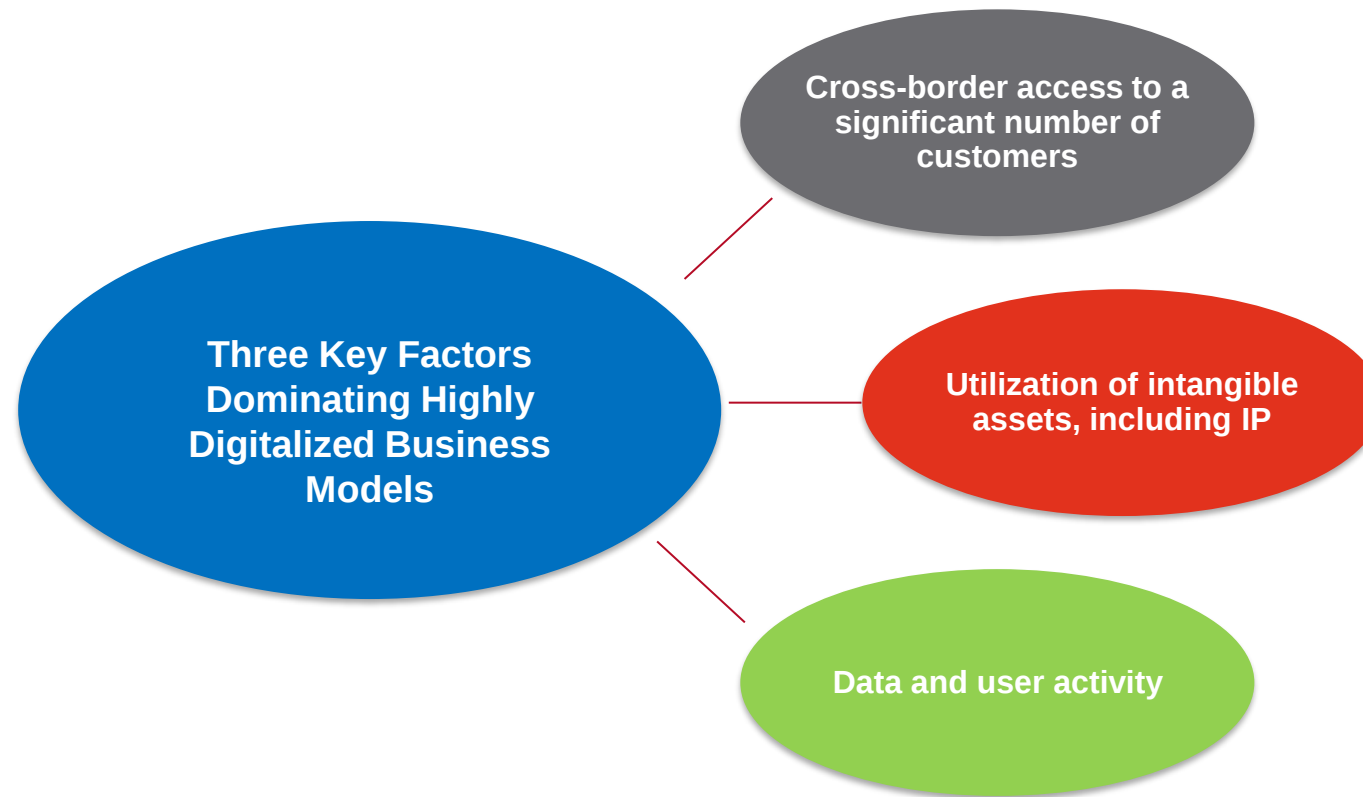
Business Models and "Value Creation"

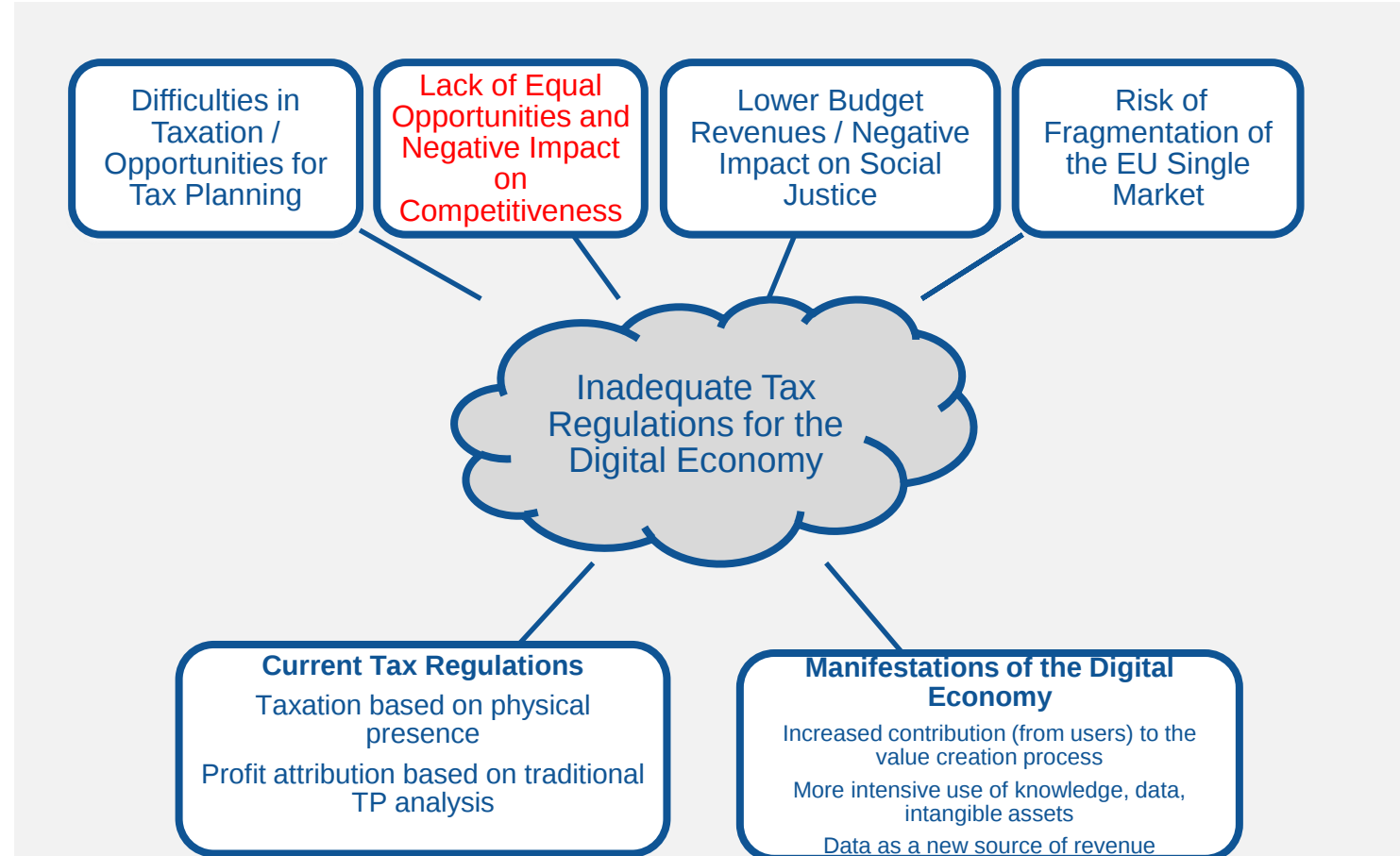


Business Models and "Value Creation"

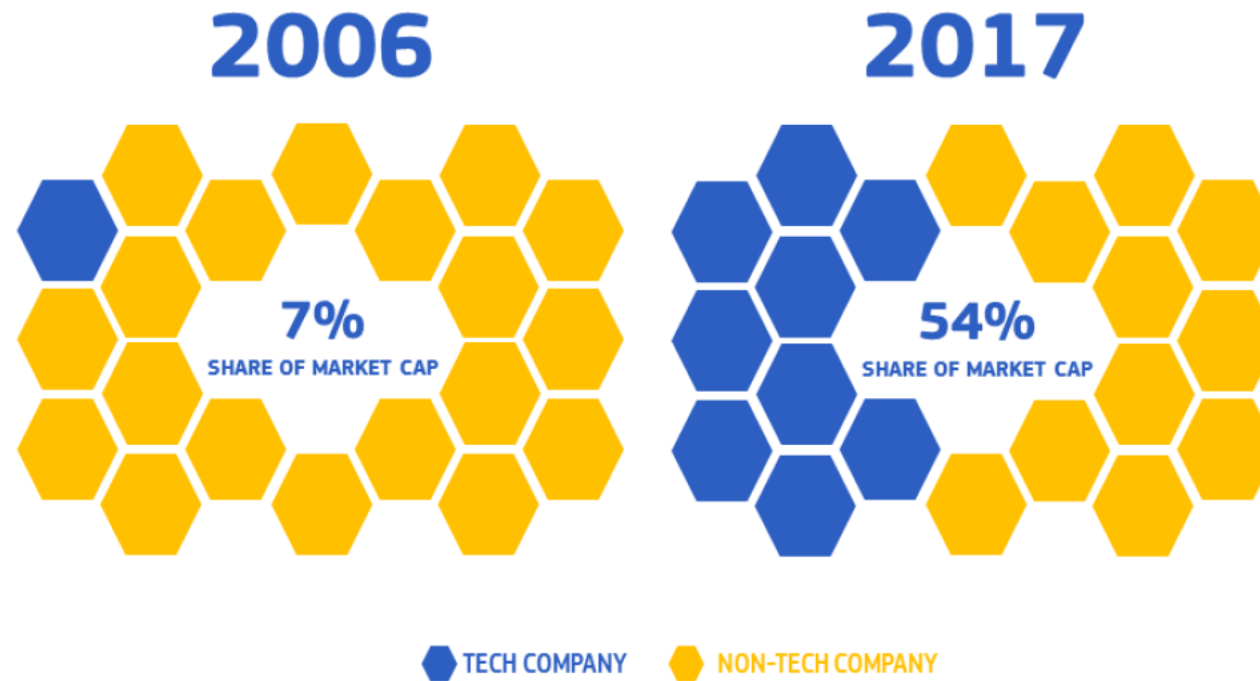


Business Models and "Value Creation"

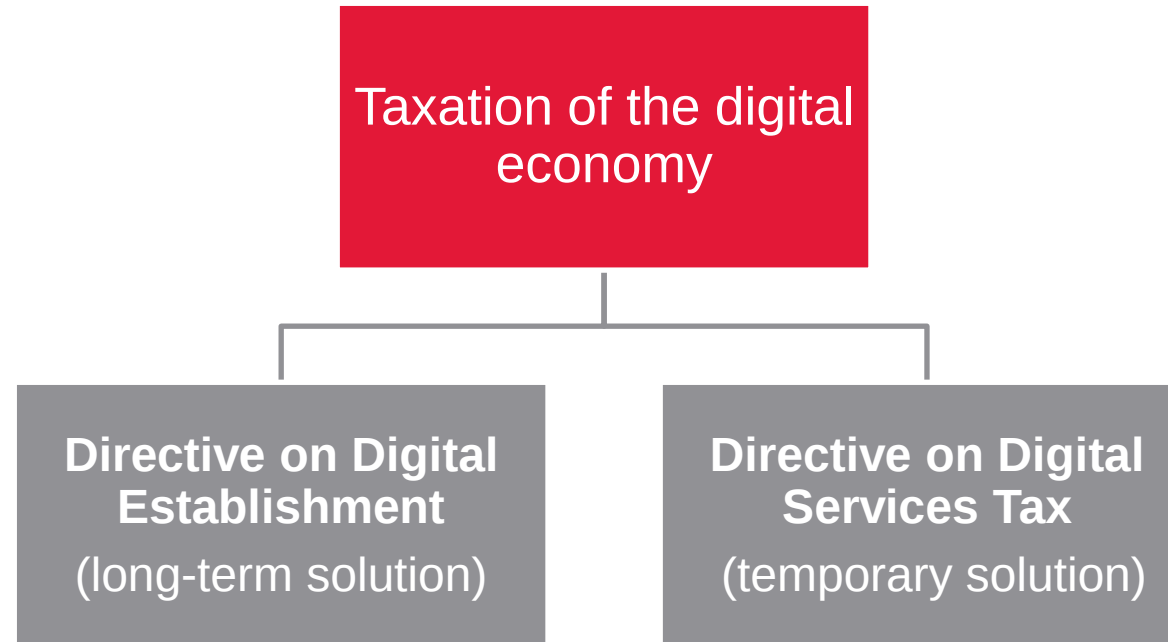




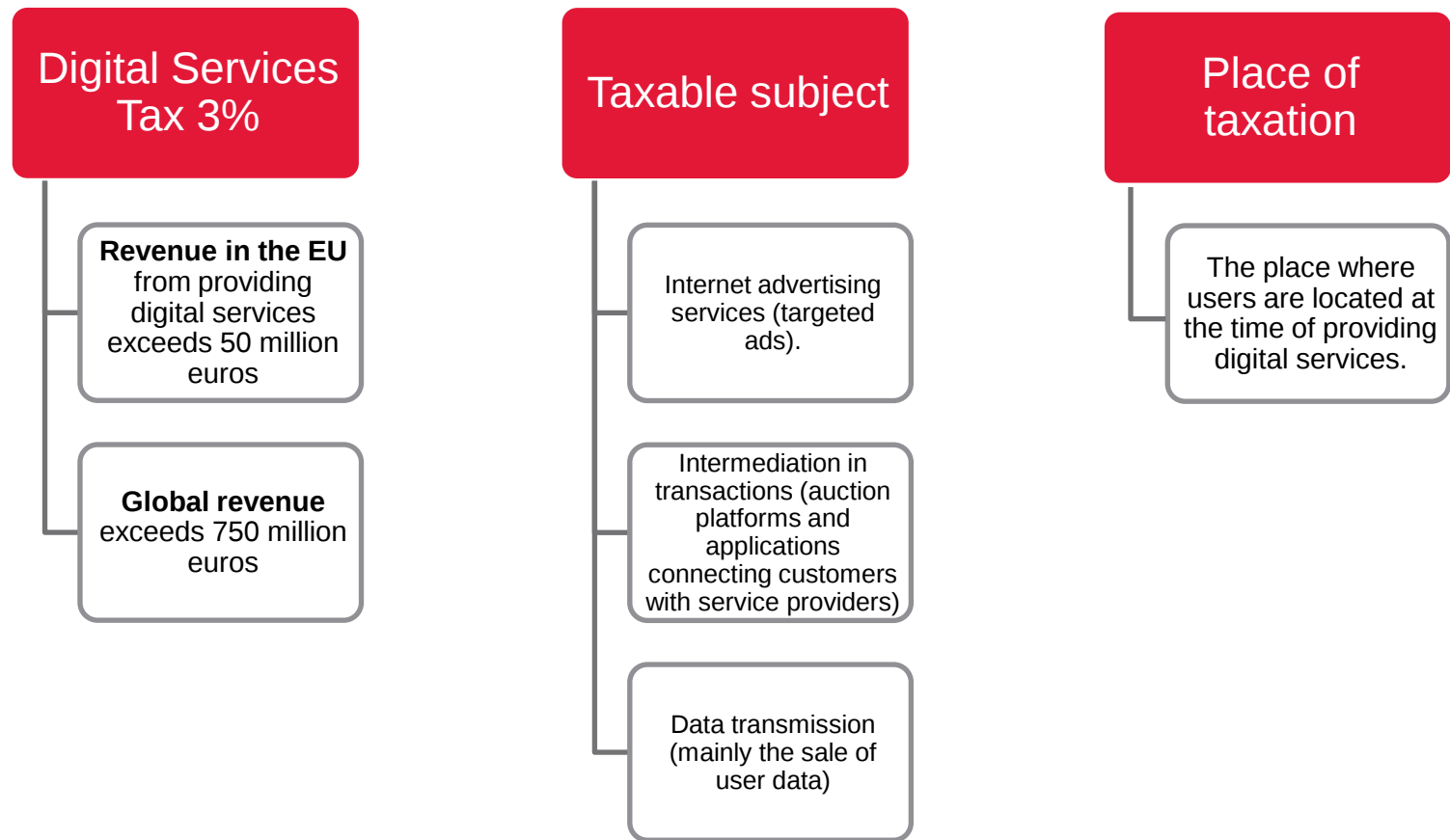
and the problem will only intensify...



EU solutions for taxation of the digital economy



Proposal for a COUNCIL DIRECTIVE on the common system of a digital services tax on revenues resulting from the provision of certain digital services



Definition and nature of DST:

- **DST vs. VAT**
- **DST vs. WHT**
- **DST vs. CIT**

DST Battles and Détente

- France*
- United Kingdom**
- Italy
- Austria
- Spain

*France gave the world VAT, will it give also DST (for good)?

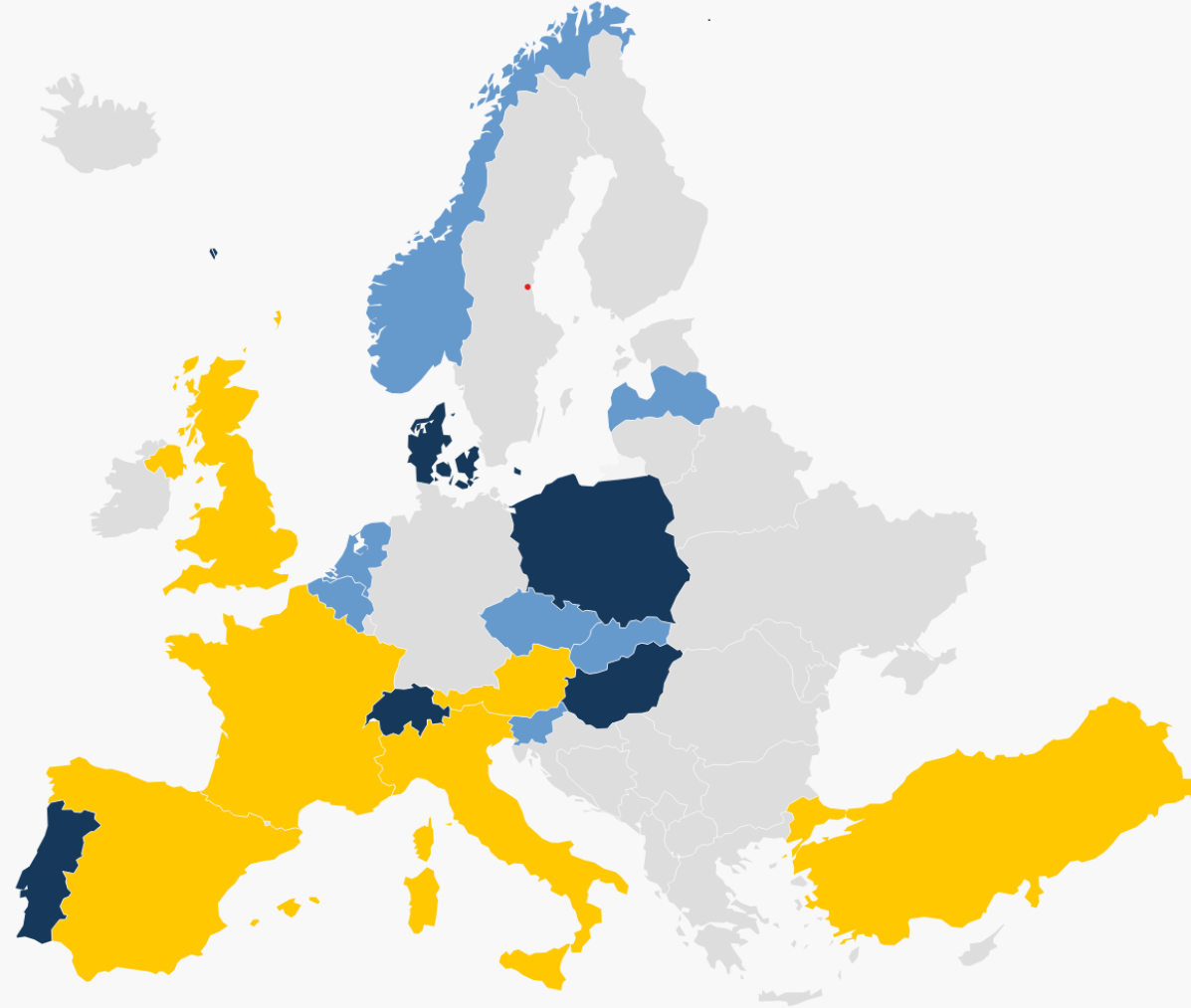
** United Kingdom first to change its DST?



Digital Services Taxes in Europe

Legislative Status of Digital Services Taxes (DSTs) in European OECD Countries, as of May 2025

- Implemented
- Proposed, Announced, or Shown Intentions
- Repeal Contingent on Pillar 1 Implementation



Summary:

Where are we heading? Will the "digital revolution" signify a "tax revolution"?

- Digitalization of the economy? Is a separate tax regime justified?
- Will the distinction between the state of residence and the source of income lose significance?
- Convergence between direct and indirect taxes?
- Risk of unilateral actions?
- Will DST permanently exclude WHT on digital goods and services?