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**Forum on Strategic Management
Sub-group on Electronic Commerce**

**NOTE BY THE CHAIR ON THE ELECTRONIC COMMERCE: SUB-GROUP
WORKPLAN**

This document is submitted to the FSM Sub Group on Electronic Commerce FOR INFORMATION at its meeting to be held on 29-30 November 1999 at the Château de la Muette.

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Date: 29 September 1999

NOTE BY THE CHAIR

Dear Colleagues

ELECTRONIC COMMERCE: SUB-GROUP WORK PLAN

I hope you have all had an enjoyable summer and have returned to work well rested. And for those of you who, like me, are taking a late holiday this year, I hope you have a good time.

I thought this an opportune time to drop you a short note about our work plan. Following Michael's e-mail of 23 July, you'll have seen this on the FSM EDG or on OLIS under reference DAFPE/CFA/FSM/EC(99)1. You should also have seen the Summary Record of the June meeting (DAFFE/CFA/FSM/EC/M(99)1) which shows which countries agreed to take the lead on particular topics (paragraph 60).

At the end of the last meeting I felt that although we had included all essential elements in the workplan, some of us were a little confused as to exactly where we are going and what we are trying to achieve. The Secretariat has done an excellent job in putting the sub-group workplan and those of the Technology and PDA TAGs down on paper. The overall workplan is logical, it all fits together, meets the tax administration elements in the Taxation Framework Conditions and the tax administration elements in the Discussion Paper. To help get it clear in my own mind, I have put the essential elements into a schematic form and I am attaching this, as it may be helpful to each of you as well.

The Secretariat has also formalised the workplans of the PDA and Technology TAGs into OECD documents (DAFFE/CFA/FSM/EC(99)2 and DAFPE/CFA/FSM/EC(99)3 respectively.) I would like to finalise these through a written procedure by **22 October**. As you are aware, the TAGs have already made substantial progress against these plans, so the start dates for the tasks are not a concern. If delegates have no comments then I and the Secretariat will assume support for the TAG workplans as presented. The workplan for the Technology TAG will also be considered by the electronic commerce sub-group of Working Party No. 9 over the same period as they co-supervise this TAG.

As you know, our next meeting is on 29 and 30 November and I am due to report progress to the meeting of the FSM Steering Group 2 weeks later. So we need to make good progress before then. And we can't just leave it all to the lead countries. For example, France is in the lead in collating examples relating to harmful tax practices. It obviously needs all countries to let the French delegation have examples and details of any research they have done on them (e.g. at the meeting we mentioned the Bermudan 'virtual offices' on which I think Australia and the US had done some work.).

So could I please encourage you all to have another look at the work plan and the list of topics. To make sure that nothing slips, could I also ask the lead countries on each topic to let me have a short progress report by **22 October** please. It would be helpful if this was also copied to the Secretariat, and indeed, if you wish, the whole group.

As you will recall, at the last meeting of the sub-group, we discussed the idea of having two Vice-Chairs assist the Chair with taking forward the ambitious workplan we have established. Elvin Hedgpeth of the United States and Morten Samuelsen of Denmark have been proposed as vice-chairs. Given the extensive work that both countries are doing on tax administration issues / opportunities raised by electronic commerce, I think these are excellent proposals. With their assistance, as well as that of the government co-chairs of the Technology and PDA TAGs, I believe we will be able to effectively take forward our work program. Given that the November meeting is rapidly approaching, may I have your views on the vice-chair proposals by **22 October**.

Many thanks and best wishes

RACHEL RADFORD

