

Outline of the Interim Report for the G20 Finance Ministers

| CHAPTER | SECTIONS | DESCRIPTION |
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| I. Taxation and the digitalisation of the economy: challenges and opportunities | 1. Background | Provide context to the discussion of taxation and digitalisation, including reference to the Action 1 work. |
| | 2. Challenges posed by the digital transformation | Summarise the factors associated with digitalisation (e.g., mobility, intangibility, reliance on data, other forms of user input, network effects and spread of multi-sided business models) that may raise questions about how and where value is created and may give rise to the broader challenges. This section will also highlight the challenges associated with ‘nexus’, the value of data and user participation, and characterisation of payments. |
| | 3. Opportunities created by digital technologies | The digital economy and new technologies create opportunities to improve tax administration services and compliance strategies. This will involve some input from the Forum on Tax Administration (FTA). |
| II. Business models and value creation in the digitalised economy | 1. Digitalisation, business models and value creation | Analysis of heavily digitalised business models and their value chains to shed light on how and where value is created. |
| | 2. Implications for the tax system | Discussion of the tax system (both direct and indirect taxation) and the issues raised by the new business models, including the impact of digitalisation on a number of traditional tax bases and on tax systems generally (i.e. beyond BEPS). |
| III. Tax policy developments in the taxation of the digitalised economy | 1. BEPS implementation | Description of progress in implementation of BEPS measures and a broad look at the ability of existing international tax standards to deal with the tax challenges raised by digitalisation. In particular, it will focus on measures identified as relevant for the digitalised economy (e.g. PE avoidance, revised TP guidelines, CFC rules). This section will also consider the progress of the implementation of the VAT/GST guidelines. |

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| | 2. Other measures implemented | A description of the full range of measures introduced by countries to target highly digitalised businesses and activity. |
| IV. Tax administration developments enabled by the digital transformation (input to be received from FTA) | | Description of how tax administrations can seize the opportunities created by digital technologies to enhance compliance through improved tax audit and collection, obtaining and processing information, including through the use of advanced data analytics, and automated processes (i.e. e-registration, e-filing , e-invoicing and e-payment). |
| V. Options to tax the digitalised economy | | Description of a range of possible options available to tax highly digitalised business models, including the options that were outlined in the Action 1 Report. |
| VI. Conclusions & next steps | | Summary of the main findings, with a focus on the next steps and future work that will be undertaken in relation to tax and digitalisation. |