



# GLOBAL PARLIAMENTARY NETWORK

## Special Session of the Parliamentary Group on Tax

Tax Challenges arising from Digitalisation

9 February 2021



# Tax Challenges Arising from Digitalisation

**12 October  
2020**  
Launch of  
the public  
consultation

**21-22  
November  
2020**  
G20  
Leaders  
summit

**14  
December  
2020**  
Public  
consultation  
comments  
due

**By Mid-2021**  
Reaching a  
global  
and  
consensus-  
based solution

**14 October  
2020**  
G20  
Finance  
Ministers  
meeting

**December  
2020**  
G20 Italian  
Presidency

**14-15  
January  
2021**  
Public  
consultation  
meeting



# Impact Assessment-Overview of main findings

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**Pillar One & Pillar Two could increase global corporate income tax (CIT) revenues by about USD 50-80 billion per year.**

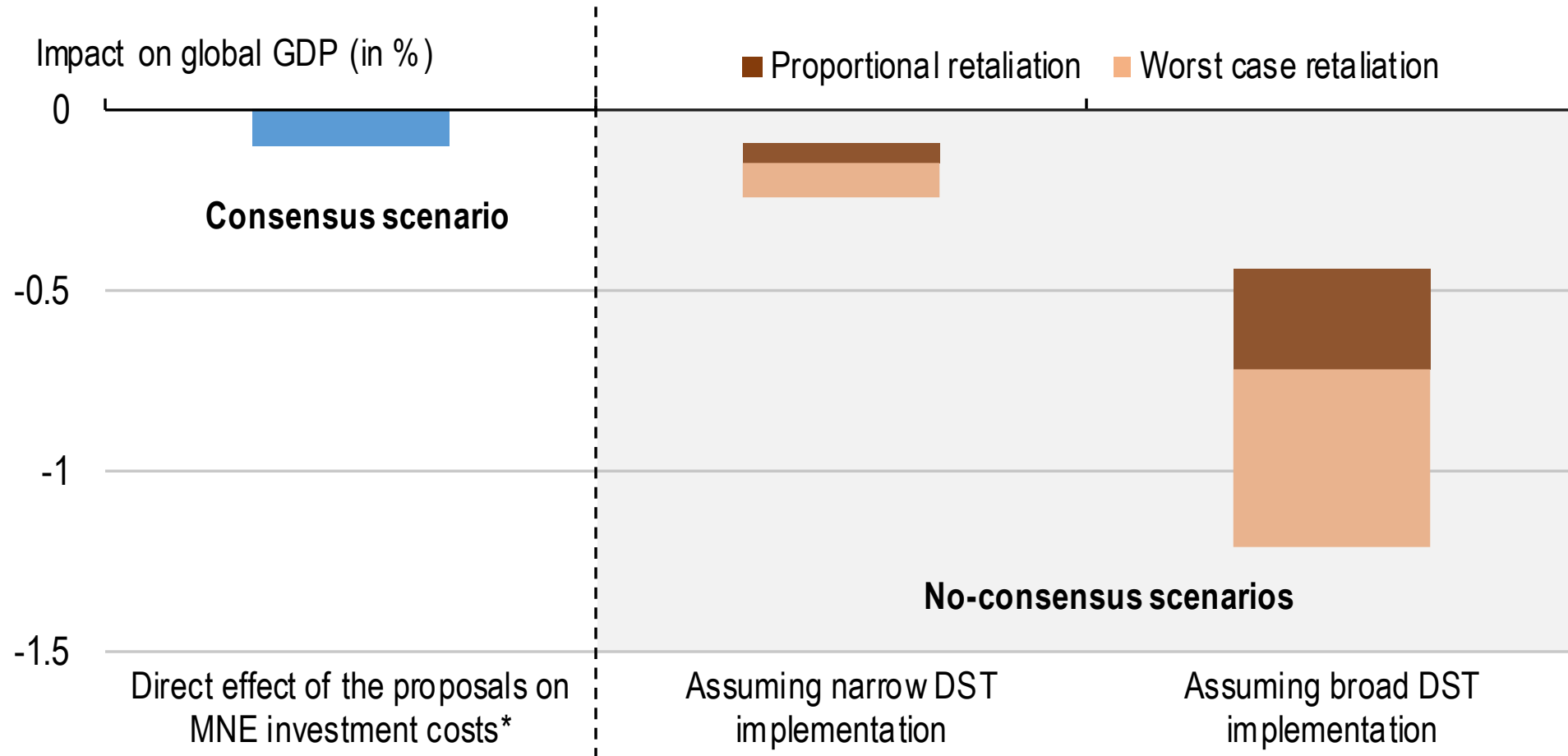
**The combined effect of the reforms and the US GILTI could represent USD 60-100 billion per year or up to around 4% of global CIT revenues.**

- **The reforms would lead to a more favourable environment for investment and growth** than would likely be the case in the absence of a consensus-based solution.
- **The COVID-19 crisis is likely to accelerate the trend towards the digitalisation of the economy and exacerbate the tax challenges arising from digitalisation** in the absence of an agreement by the Inclusive Framework.



# Estimated effect on global GDP

## *Stylised scenarios*

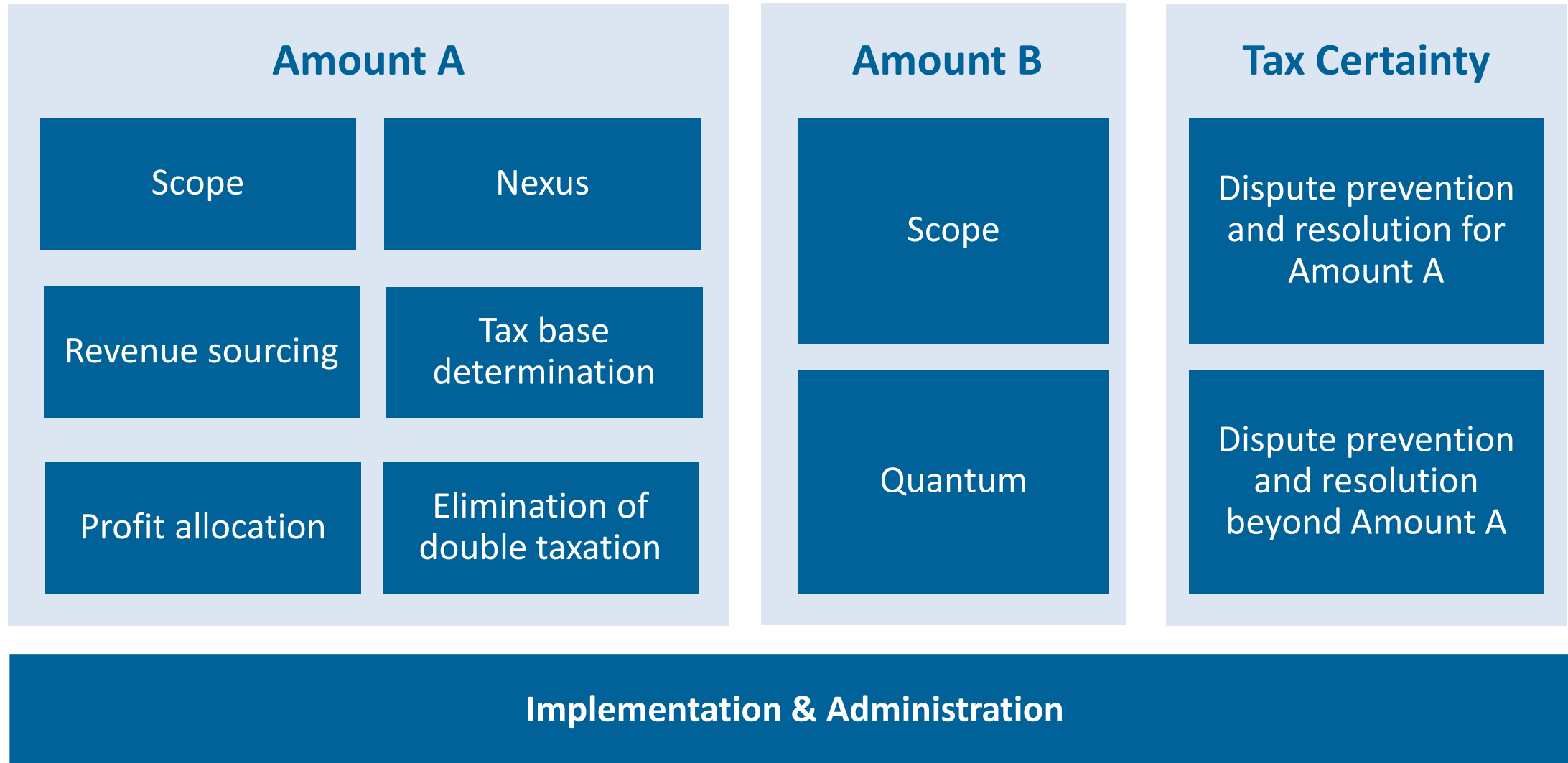


\* The proposals would also have positive impacts on GDP through indirect channels (e.g. increased tax certainty, reduced need to increase other distortive taxes) which are not quantified in this figure.



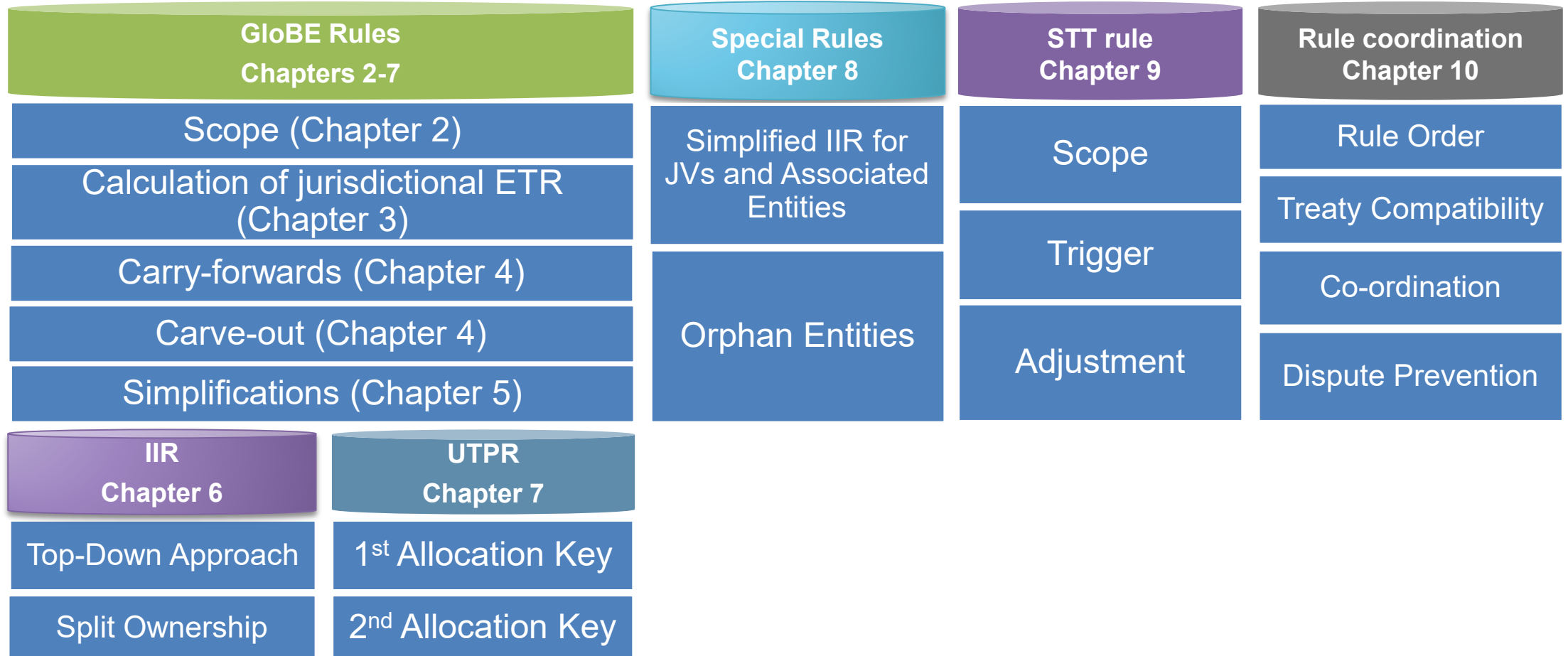
# P1 Background

*Building blocks agreed in January 2020*





# Pillar Two Blueprint Overview



*Annex with examples*



# Thank you

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