

Press release – Better cooperation between national authorities on taxation of digital trading



The legislation, spearheaded through the EP by Sven Giegold (Greens, DE), aims to oblige digital platforms to report the income earned by those selling goods and services on their platforms. Tax authorities would also be obliged to share this information with each other. It was adopted by 568 votes in favour, 63 votes against, and 64 abstentions.

Platforms need to register in the EU and can face sanctions

Non-EU platforms should be required to register and report their activities in the single market in a single member state, and must have substantial economic activities in the chosen member state. Moreover, MEPs opted to provide for harmonised sanctions against platforms that do not fulfil their reporting obligations.

Quicker exchange of requested information

A tax authority receiving a request for information should provide it no later than three months, rather than six months, from the date it receives the request. By the end of 2022, the Commission should submit a report assessing country-by-country how well the system works, including how effective the information exchanges are.

Scope of the automatic and compulsory exchange of information

A tax authority should automatically communicate to the authority of another member state not only the information that is available but also that which could reasonably be made available.

As from 1 January 2022, no new bilateral or multilateral advance pricing arrangements should be agreed by member states with third countries that do not permit their disclosure to the tax authorities of the other member states.

Quote of the rapporteur, Sven Giegold (Greens, DE)

“Extending the directive to cover digital platforms will close one loophole, but others remain wide open. Exchange of information will only be effective once all types of income and assets are consistently included under this directive. Unfortunately, the Council has already decided its position without waiting for the European Parliament’s proposals and has decided to postpone implementing improvements by one year to January 2023. It is irresponsible to forego urgently needed tax revenues in this time of crisis. The EU Commission must take its responsibility in a time of public deficit seriously and propose a strong review of the directive.”