Statement on transition to new Pillar 1 international tax rules

News story

The United Kingdom, Austria, France, Italy, Spain and the United States Announce Agreement on the Transition from Existing Digital Services Taxes to New Multilateral Solution Agreed by the OECD-G20 Inclusive Framework.

On 8 October an historic agreement was reached between 136 countries of the OECD-G20 Inclusive Framework – representing 94% of the world's GDP – on a two Pillar package of reforms to the international tax framework to be implemented in 2023.

These reforms will provide for a tax framework that is fairer, more stable and better equipped to meet the needs of a 21st century global economy.

In support of that agreement, the United Kingdom, Austria, France, Italy, Spain and the United States have today announced the terms of an agreement on the transition from existing Digital Services Taxes to the new multilateral solution, and have committed to continuing discussions on this matter through constructive dialogue.

This compromise represents a pragmatic solution that helps ensure that the named countries can focus their collective efforts on the successful implementation of the OECD/G20 Inclusive Framework's historic agreement on a new multilateral tax regime, and allows for the termination of trade measures adopted in response to Digital Services Taxes.

Overall, this political agreement carefully balances the perspectives of several countries, and is yet further demonstration of our commitment to working together to reach consensus, and to deliver far-reaching multilateral reforms that help support our national economies and public finances.

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