



# EBF TAX CONFERENCE 2017

## Achieving Tax Certainty in a World of Uncertainty



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# We live in a new digital economy



The biggest lodging company does not have rooms (AirBnB)

The biggest car transportation company does not have taxis (Uber)

The biggest software vendors do not program software (Apple, Google)

The biggest telecommunication companies do not have infrastructure (Skype, WeChat)

The largest "cinema" in the world, does not have cinemas (Netflix)

The company with the largest capitalization in the retail sector, has no inventory (Alibaba)

The fastest growing bank has no money (SocietyOne)

The company with the largest amount of information does not produce content (Facebook)

# Digitalization is not an option

- ◆ **Much more than new channels for sale**
- ◆ **Disruption in our business model**
- ◆ **It is a continuous challenge**



# Tax uncertainty – main problems



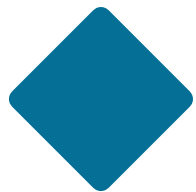
## Characterization of income

Financial vs technological; intangible and property data



## Location

Intangible and IP property. Cross-functional teams



## Valuation

New value chain. Circular ecosystem rather traditional lineal flow  
Deeper real-time control and governance

# Tax uncertainty – Official reaction



## **BEPS. Action 1**

Expected new report January 2018



## **UE.**

Ongoing public consultation. Current priority



## **Local regulation**

General expectation. Unilateral measures: E-ID. Diverted Profit Tax.

# Tax uncertainty – Options managed



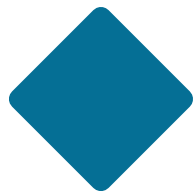
## **Digital nexus: significant economic presence**

Extreme complications when co-existing with closely related tax figures



## **Withholding Tax on Digital Transactions**

Only in B2B. Need double taxation elimination



## **Equalization Levy**

Only pre-defined remotely B2B sales. Significant threshold. Reduced rates

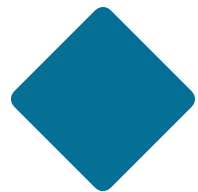
# Final remarks



**We need more specific proposals**



**It should be a common standard**



**Level playing field**