

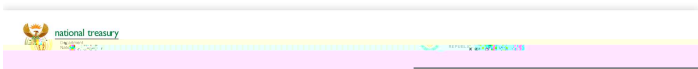
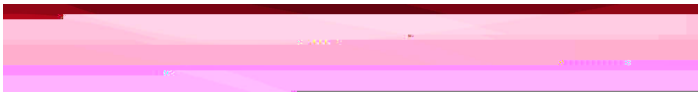


## Background

- In 2012 the OECD Committee on Fiscal Affairs (CFA) created the Global Forum on VAT
- In 2013 the OECD launched an action plan to address tax revenue losses due to

national treasury

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## PROPOSED CHANGES EXCLUSIONS

The following services are excluded from the definition of e-services in the Regulations:

1. Educational services provided by a person that is regulated by an educational authority in that export country; and
2. Telecommunications services as defined

## The Role of Platforms

- Countries have recognised that platforms / intermediaries have an important role to play in both the supply chain and the collection of VAT
- This is an area that is extremely complicated and difficult to legislate for based on a number of factors, viz:
  - The wide variety of platform services that are in existence today (including the role of each platform in the supply chain)
  - The rate of evolution of business models in this area
  - The fact that in most instances countries do not have legal jurisdiction over foreign suppliers
  - Involving mutual assistance and other international agreements may be costly and time consuming

## The Role of Platforms

- Platforms may be the principal supplier
- Platforms may grant access to other suppliers to sell on their platform/APP
- Platforms may be responsible for the entire transaction from start to finish (purchase, payment, including delivery)
- Platforms may outsource some or all of those functions
- Suppliers may use multiple platforms to sell on
- Suppliers may sell both directly to consumers and through platforms

## PROPOSED CHANGES PLATFORMS

- Special provisions have been introduced to deal with "intermediaries" (platforms)
- As a result, the following new definition of the term "intermediary" is proposed in the VAT Act:
  - "intermediary means any person who facilitates the supply of electronic services supplied by the electronic service supplier and who is responsible

