

## OECD negotiators must now agree on how to modernise international taxation

Ahead of the talks in the OECD this week in Paris, EuroCommerce Director General Christian Verschueren pressed negotiators to make concrete progress on modernising international taxation systems:

*“Retailers and wholesalers, both online and offline, support the OECD discussions on modernising corporate tax systems and make them appropriate to the digitalised global economy. It is essential that negotiators now find common ground on taking forward the negotiations to find a multinational solution and avoid a growing trend towards fragmented national approaches.”*

EuroCommerce last year adopted a set of key principles<sup>[1]</sup> for taxation of the digitalised economy. Central to this is that the taxation has to be channel-neutral – suitable for both online and offline sales. Digitalisation offers opportunities to the entire economy, in particular to retail and wholesale, but the principles stress that the tax burden must be shared fairly among all market participants, no matter the business model or the size of the company.

Verschueren concluded:

*“We know that finding a consensus is not easy, but the alternatives are worse, and provide no response to the challenges ahead. We were pleased to see the United States and France finding an interim agreement last week in Davos, but businesses across Europe and the world are impatient to see the OECD reach a consensus, and very soon”*

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[1] The key principles on taxation of the digitalised economy agreed by EuroCommerce members were: 1) The system needs to be fair; 2) taxation should continue to be based on profits rather than on turnover; 3) taxation needs to be channel-neutral; 4) rules need to be simply applicable by companies, and ensure that the administrative burden is in proportion to the generated revenue; 5) the new rules need to be enforceable on companies which are based outside the EU; 6) there needs to be a global solution at OECD and G20 level.

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*EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 31 countries and 5.4 million companies, both leading global players such as Carrefour, Ikea, Metro and Tesco, and many small businesses. Retail and wholesale provide a link between producers and 500 million European consumers over a billion times a day. It generates 1 in 7 jobs, providing a varied career for 29 million Europeans, many of them young people. It also supports millions of further jobs throughout the supply chain, from small local suppliers to international businesses. EuroCommerce is the recognised European social partner for the retail and wholesale sector.*