

VAT/GST in a Global Digital Economy

Edited by
Michael Lang & Ine Lejeune



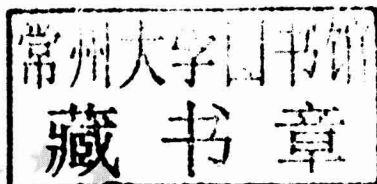
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EUCOTAX Series on European Taxation

VAT/GST in a Global Digital Economy

EUCOTAX Series on European Taxation

VOLUME 43

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Introduction

EUCOTAX (European Universities Cooperating on Taxes) is a network of tax institutes currently consisting of eleven universities: WU (Vienna University of Economics and Business) in Austria, Katholieke Universiteit Leuven in Belgium, Corvinus University of Budapest, Hungary, Université Paris-I Panthéon-Sorbonne in France, Universität Osnabrück in Germany, Libera, Università Internazionale di Studi Sociali in Rome (and Università degli Studi di Bologna for the research part), in Italy, Fiscaal Instituut Tilburg at Tilburg University in the Netherlands, Universidad de Barcelona in Spain, Uppsala University in Sweden, Queen Mary and Westfield College at the University of London in the United Kingdom, and Georgetown University in Washington DC, United States of America. The network aims at initiating and coordinating both comparative education in taxation, through the organization of activities such as winter courses and guest lectures, and comparative research in the field, by means of joint research projects, international conferences and exchange of researchers between various countries.

Contents/Subjects

The EUCOTAX series covers a wide range of topics in European tax law. For example tax treaties, EC case law, tax planning, exchange of information and VAT. The series is well-known for its high-quality research and practical solutions.

Objective

The series aims to provide insights on new developments in European taxation.

Readership

Practitioners and academics dealing with European tax law.

Frequency of Publication

2-3 new volumes published each year.

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Editors

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Preface

Indirect taxation is gaining more and more importance in the world of taxation. States around the world face the issue of raising revenues to finance their budgets. Value added tax (VAT) and goods and services tax (GST) are increasing in prominence because of their broad base and non-distortion of competition in the chain of companies. A VAT/GST system has been implemented in more than 150 countries, and in times of international company tax competition its relevance as a source of tax revenue is continuously increasing. Many countries are under pressure to either introduce such VAT/GST systems or amend them. As a consequence, all other concerned stakeholders – namely, consumers and companies – are faced with compliance and neutrality issues, and are in need of foreseeable and controllable VAT/GST levying.

Parallel to the increase in importance of VAT/GST, there is an exponential digitization of the economy and our lives in general. The innovation of business through the dematerialization of goods, the trade of goods and services through the internet, and the extreme simplicity in providing professional services worldwide within seconds, are only a few examples of the impact of the Digital Economy.

The increasing importance of VAT/GST, combined with the continuous development of the Digital Economy, is creating more and more difficulties for tax authorities worldwide, as they are continuously facing new problems in applying ‘old’ rules, as well as for practitioners and their ‘traditional’ backgrounds when advising clients dealing with their ‘new’ ways of conducting business. Prevailing opinion prefers to design a system where principles should constitute the normative framework, in order to cope with the ever-changing way of doing business digitally, in whatever form or shape. Nonetheless, other authoritative support in the literature tends rather to focus on a detailed framework, in relation to any future digital business model that is launched. This is the case regarding not only taxation issues, but also other relevant subjects such as privacy and consumer protection.

The Institute for Austrian and International Tax Law, in cooperation with PwC and Law Square, conducted a research project, on the one hand, to learn from

experience gained on the difficulties faced by business and the tax authorities in the global Digital Economy and, on the other hand, to understand how to design and increase the effectiveness of VAT/GST regimes in relation to the Digital Economy without missing the opportunities it brings to citizens, consumers, business and countries. The results of this work, which is based on ten topic-based research papers and two notes on the papers provided by renowned experts on VAT/GST in relation to the Digital Economy, were presented at a Conference, 'The Future of VAT in a Digital Global Economy', in September 2014 at the WU (Vienna University of Economics and Business).

The editors would like to express their sincere thanks to the authors who made it possible to provide this ambitious work. Many thanks are given to Kluwer Law International B.V. for cooperating in this publication project. Last, but not least, we would like to thank Jasmin Kollmann, Anna Binder and Alessandro Roncarati for their organization of the project, Renée Pestuka for administrative support and Constance McCarthy for providing linguistic support to the authors during the publishing process.

Michael Lang

Ine Lejeune

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