

EP Calls for Improvements in Taxation of Online Traders

Thomas Wahl



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News

On 10 March 2021, the European Parliament (EP) adopted, by a large majority, [amendments to the Commission's draft](#) to amend Directive 2011/16/EU on administrative cooperation in the field of taxation (DAC7). MEPs call for improvements to the tracking and taxation of online sales. According to the opinion drafted by MEP *Sven Giegold* (Greens/EFA, DE), digital platforms should have to declare how much the sellers of goods and services earn on their websites. The national tax authorities would then be obliged to share this information with each other. According to the EP, online platforms from third countries should also be obliged to register in a Member State in which they develop substantial economic activities and to report their activities there. In the EP's view, platforms should be punished uniformly throughout the EU for reporting violations. Furthermore, the EP demands that tax authorities, which have been asked for information on a company, must reply within three months, not six (as proposed by the Commission). By the end of 2022, the Commission should report on the implementation of this procedure and the quality of information exchange in each Member State.

It is not expected that the Council will follow the EP's opinion. The Council already adopted its position on DAC7 in December 2020 and [wants to adopt the legislation soon](#). The EP must only be consulted in the procedure.

AUTHOR

Thomas Wahl

Senior Researcher
Max Planck Institute for the
Study of Crime, Security and
Law

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