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OECD publishes International VAT/GST Guidelines

The International VAT/GST Guidelines now published present a set of internationally agreed standards and recommended approaches to address the issues that arise from the uncoordinated application of national VAT systems in the context of international trade. The Guidelines were adopted as a Recommendation by the Council of the OECD in September 2016.

Value Added Tax (VAT; also known as Goods and Services Tax, under the acronym GST in a number of OECD countries) has become a major source of revenue for governments around the world. Some 165 countries operated a VAT at the time of the completion of the International VAT/GST Guidelines in 2016, more than twice as many as 25 years before. As VAT continued to spread across the world, international trade in goods and services has also expanded rapidly in an increasingly globalised economy. One consequence of these developments has been the greater interaction between VAT systems, along with growing risks of double taxation and unintended non-taxation in the absence of international VAT co-ordination.

The International VAT/GST Guidelines focus in particular on trade in services and intangibles, which poses increasingly important challenges for the design and operation of VAT systems worldwide. They notably include the recommended principles and mechanisms to address the challenges for the collection of VAT on cross-border sales of digital products that had been identified in the context of the OECD/G20 Project on Base and Erosion and Profit Shifting (the BEPS Project).

Source: OECD press release published on April 12, 2017

Schlagwörter

OECD VAT, VAT Guidelines