

Chapter 4. Recommendations and considerations for further work

99. It is clear from discussions between members of the OECD Forum on Tax Administration (FTA) that there is a strong desire to find collaborative mechanisms for improving the effectiveness of the taxation of platform sellers in the sharing and gig economy, while keeping burdens at a minimum. This concerns how best to help enable compliance by platform sellers either using platforms established in their jurisdiction of residency or platforms established in third jurisdictions. This report makes three recommendations for further work.

4.1. Recommendation 1: Development of a possible Code of Conduct

100. Given that many participants in the sharing and gig economy might have uncertainty about their tax obligations, education and guidance are important aspects of improving tax compliance. This can be more effective if platforms are also providing information in this area, particularly where it is more direct and personalised. In this respect, standardisation of approaches taken by different tax administrations can have positive effects in reducing burdens, including by allowing platforms to develop solutions which are widely applicable in different jurisdictions.

101. Annex A contains a draft Code of Conduct, which has been subject to initial discussion by FTA tax administrations. It is recommended that joint work be undertaken by a working group of FTA members in consultation with sharing and gig economy platforms on developing the draft Code of Conduct, including considering the practicalities of mandating it as opposed to a voluntary model, as well as examining other options for enabling platform sellers to better understand their tax obligations.

4.2. Recommendation 2: Continuing discussions to build the evidence base of tax risks and opportunities for reducing burdens

102. While compliance issues have been identified by a number of tax administrations, the evidence base at present as to the scale and nature of non-compliance is relatively undeveloped. As a result, there may be alternative options for enabling compliance, whether through self-reporting or compliance-by-design arrangements, which remain to be explored. This is particularly important given that the sharing and gig economy, and the online platform economy more generally, is expected to grow rapidly over coming years.

103. It is therefore recommended that a working group of FTA tax administrations seeks to develop a better understanding of the scale of tax risks, including from the expected development of the sharing and gig economy, and the range of options for enabling compliance. This could also look at options for enhanced international cooperation as well as continuing exchange of information on successful practices and legislative approaches.

4.3. Recommendation 3: Development of a legislative model for standardised reporting

104. Standardisation of reporting and due diligence requirements across jurisdictions can help minimise burdens on platforms which have, or may in the future have multinational presence through helping to avoid the proliferation of different reporting requirements. For standardisation to be achieved in a uniform and timely manner, multilateral policy discussions would be necessary. Such standardisation may also facilitate the development of international automatic exchange agreements for those jurisdictions wishing to take up that option.

105. Should work on a legislative model for standardised reporting be taken forward by policy makers, then it is recommended that a working group of FTA tax administrations should provide input from the tax administration perspective. This will help to identify the full set of information and due diligence required by tax administrations for both direct and indirect tax. It will also help to ensure that a standardised model allows for the use of possible new technology solutions, for example the use of Application Programming Interfaces (APIs), to minimise burdens and that compliance-by-design options are enabled where possible and practicable.



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