

# INTERNATIONAL COMPARISON 2026

Newsletter March



## What's in this issue:

### **"Taxation of foreign residents for services rendered through digital platform"**

Antea International Comparison is a quarterly publication that provides you an overview of trends and international tax developments by comparing tax issues in different legislations around the world, that may affect those doing business in multiple locations.

Constant legislative, regulatory, and judicial changes, along with globalization, economic shifts, and operational adjustments, are challenging issues. Now more than ever, in an increasingly globalized world, companies must have a total perspective and

awareness of tax issues, and this publication aims to cover key tax topics which should be of interest to businesses operating internationally.

This edition features several country focus pieces detailing the taxation of foreign residents offering services through digital platforms, helping businesses and individuals navigate cross-border tax obligations and remain compliant.

We hope that you find this publication helpful.

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# CANADA

## A) Rendering of digital services by foreign residents without an establishment in Canada

REQUIREMENTS	Expectations	VAT	CIT
<b>Scope of services included on the taxation rules</b>	Detail which services are taxed (e.g., streaming, downloads, e-learning, online dating)	Electronically supplied services (ESS): streaming (video, music), downloads (apps, e-books), online gaming, SaaS, e-learning; excludes physical goods. Online gaming: GST/HST on bets/net wagers. fonoa+2	Digital Services Tax (DST): online marketplaces, advertising, social media, user data monetization (3% on revenue > CAD\$20M from Canadian users). tipalti+2
<b>Tax Regulations</b>	Indicate the specific laws and articles governing these obligations (e.g., VAT Law)	Excise Tax Act; simplified GST/HST regime for non-residents. Rates: 5-15% provincial. fonoa+1	Digital Services Tax Act (effective 2024, retro to 2022). tipalti+1
<b>Identification of Local clients (source of income)</b>	How does the country identify the client as local? (e.g., IP address, phone prefix, declared address)	Canadian billing address, IP address, payment card issued in Canada, delivery to Canada. fonoa+1	
<b>Tax ID required</b>	Must the foreigner obtain a local tax ID? Indicate deadlines and requirements	Yes, GST/HST registration (simplified for non-residents) if > CAD\$30K/12 months to consumers. fonoa+1	
<b>Tax Compliance</b>	Applicable tax rate, filing frequency, and whether local electronic invoicing is required	Quarterly simplified returns; collect/remit GST/HST, no ITCs under simplified. Electronic filing. fonoa+1	
<b>Legal Representation</b>	Is it mandatory to appoint a resident representative and provide a local address for notifications?	No mandatory representative; security deposit possible if no PE	
<b>Digital Platforms as a Permanent Establishment</b>	Yes / No	No	
<b>Sanctions and penalties</b>	Consequences of non-compliance (e.g., fines, surcharges, or temporary platform blocking)	Penalties up to 5% of tax, interest; CRA audits/blocking access. DST: fines up to 5% + interest. tipalti+1	

B) Digital intermediation services between third parties

REQUIREMENTS	Expectations	VAT	CIT
<b>Tax Regulations</b>	Detail if the platform must withhold a percentage of tax (VAT or Income Tax) from the sellers	Platforms may need to register/collect if selling own services; reporting for sellers	Platforms report seller income to CRA if >\$2,800 CAD; no general withholding like TDS. Section 116 for certain non-residents
<b>Scope of regulations</b>	State the legal deadline to provide withholding receipts to users (e.g., within 5 days of month-end)	E-commerce platforms report seller transactions annually if thresholds met.	
<b>Whitholding Tax Obligations</b>	Is there a specific legal status for "Withholding Agents" in the local tax registry?	No standard withholding; platforms facilitate seller GST/HST if registered.	
<b>Disclousure Reports</b>	What third-party transaction data must be reported to the authority monthly, even if no payment was collected?	Annual Form RC719-REPORT for platform sellers (goods/ services >\$2,800 CAD, >30 activities).	



Sav Associates  
<https://www.savassociates.ca/>

# CHILE

## A) Rendering of digital services by foreign residents without an establishment in Chile

REQUIREMENTS	VAT	CIT
Scope of services included on the taxation rules	<ul style="list-style-type: none"> <li>The Intermediaries of services rendered in Chile, whatever their nature, or of sales made in Chile or abroad, provided that the latter give rise to an import.</li> <li>Those who supply or deliver digital entertainment content, such as videos, music, games or other analogues, through download, streaming or other technology, including for these purposes, texts, magazines, newspapers and books.</li> <li>Those who supply software, storage, platforms or computer infrastructure.</li> <li>Those who carry out advertising, regardless of the medium or medium through which it is delivered, materialized or executed.</li> <li>Those who sell taxed goods or intermediate sales of taxed goods.</li> </ul>	No Digital Service Tax is in force in Chile
Tax Regulations	Articles 5, 8 n), and paragraph 7 bis of the VAT law (Article 35 A to Article 35 I)	
Identification of Local clients (source of income)	<ul style="list-style-type: none"> <li>Client declares a chilean address</li> <li>IP address of the device used by the user or other geolocation mechanism indicates that the user is located in Chile;</li> <li>The card, bank account, or other means of payment used for payment is issued or registered in Chile.</li> <li>The subscriber identity module (SIM) card of the mobile phone through which the service is received has Chile as its country code.</li> </ul>	
Tax ID required	<ul style="list-style-type: none"> <li>The foreign supplier must obtain a user number and password on the Internal Revenue Service website in the "VAT digital services" section.</li> <li>The registration form must be completed, which will require a formal contact, who does not necessarily have to be a Chilean resident. There is no deadline for this; it can be done at any time before providing the services, or even afterwards, but there will be administrative penalties in the latter case. this just apply in B2C operations.</li> </ul>	
Tax Compliance	<ul style="list-style-type: none"> <li>VAT tax rate of 19%.</li> <li>The declaration can be monthly or trimestral, at the taxpayer's discretion.</li> <li>The declaration is made using the Digital VAT Form (F129)."</li> </ul>	

<b>Legal Representation</b>	A formal representative is required, who may even be a non-Chilean resident. This is just for purposes of notification that could be provided electronically.	
<b>Digital Platforms as a Permanent Establishment</b>	NO	NO
<b>Sanctions and penalties</b>	Failure to pay the VAT collected will result in penalties and surcharges. Failure to comply with the obligation to register on the digital portal will result in inclusion on a public list of unregistered entities.	

#### B) Digital intermediation services between third parties

REQUIREMENTS	VAT	CIT
<b>Tax Regulations</b>	Article 3 bis and paragraph 7 bis of the VAT law (Article 35 A to Article 35 I)	
<b>Scope of regulations</b>	This section applies to those who act as intermediaries between the supplier and the recipient within the scope of the above section, and also applies to those who act as intermediaries in the remote sale of goods worth up to USD 500 through foreign digital platforms or retailers B2C. (Amazon, Chain, Mercado Libre, Alibaba, etc)	
<b>Whitholding Tax Obligations</b>	<ul style="list-style-type: none"> <li>VAT tax rate of 19%.</li> <li>The declaration is made using the Digital VAT Form (F129)</li> <li>Those who sell products worth less than USD 500 or act as intermediaries for services to Chilean residents in B2C mode must register.</li> </ul>	
<b>Disclosure Reports</b>	The intermediary must provide the tax authority monthly or trimestral, at the taxpayer's discretion, with the information indicated in the articles of paragraph 7 bis of the VAT law (Article 35 A to Article 35 I), as long as they are for sales of less than USD 500 per individual unit.	



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## CROATIA

### A) Rendering of digital services by foreign residents without an establishment in Croatia

REQUIREMENTS	VAT	CIT
<b>Scope of services included on the taxation rules</b>	<p>All electronically supplied services are covered in accordance with Articles 26 and 26a of the VAT Act and EU rules on the place of taxation, including:</p> <ul style="list-style-type: none"> <li>streaming of audio and video content</li> <li>downloading digital content (applications, music, games, software)</li> <li>online courses and e-learning</li> <li>online dating platforms</li> <li>cloud services and hosting</li> </ul> <p>If electronically supplied services are provided to end consumers (B2C) in Croatia, the place of taxation is Croatia, i.e. the Member State where the customer is established, has a permanent address or usually resides.</p>	<p>Croatia has not introduced a separate Digital Services Tax (DST); digital services are subject only to the standard VAT regime in accordance with EU VAT rules.</p>
<b>Tax Regulations</b>	<p>The applicable legal framework includes:</p> <ul style="list-style-type: none"> <li>the Croatian Value Added Tax Act (Official Gazette, consolidated text applicable in 2026)</li> <li>the Ordinance on Value Added Tax</li> <li>Council Directive 2006/112/EC on the common system of value added tax</li> <li>Council Implementing Regulation (EU) No 282/2011</li> </ul>	<p>the Corporate Income Tax Act, where a permanent establishment in Croatia exists</p>
<b>Identification of Local clients (source of income)</b>	<p>Under EU VAT rules, the supplier of electronically supplied services must determine the Member State in which the customer is located. This determination must be based on at least two non-contradictory pieces of evidence, such as the customer's IP address, billing address, telephone country code, or the country of the bank account or payment card used for the transaction.</p>	
<b>Tax ID required</b>	<p>A foreign provider of digital services supplying B2C services to customers in Croatia must either register for VAT in Croatia or use the One Stop Shop (OSS) scheme in an EU Member State.</p> <p>For non-EU suppliers, no registration threshold applies and the VAT obligation arises from the first taxable transaction.</p> <p>Where a non-EU supplier registers directly for VAT in Croatia, the appointment of a tax representative may be required.</p>	

<b>Tax Compliance</b>	<ul style="list-style-type: none"> <li>• Standard VAT rate in Croatia: 25%</li> <li>• VAT returns: generally submitted monthly (quarterly in certain cases or under the OSS scheme)</li> <li>• VAT payment: due by the last day of the month following the relevant tax period</li> <li>• Record-keeping obligation: records relating to electronically supplied services must be retained for 10 years</li> </ul>	
<b>Legal Representation</b>	<p>It is not always mandatory for EU taxable persons who use the OSS scheme.</p> <p>Taxable persons from third countries may be required to appoint a tax representative in Croatia.</p>	
<b>Digital Platforms as a Permanent Establishment</b>	<p>The provision of digital services from abroad without a physical presence in Croatia does not in itself create a permanent establishment for corporate income tax purposes. A permanent establishment arises only where the conditions set out in the Corporate Income Tax Act are met, such as the existence of a fixed place of business or a dependent agent. However, VAT obligations may arise independently of the existence of a permanent establishment.</p>	
<b>Sanctions and penalties</b>	<p>In accordance with the VAT Act and the General Tax Act:</p> <ul style="list-style-type: none"> <li>• monetary fines for legal entities</li> <li>• penalties for the responsible person</li> <li>• default interest (late payment interest)</li> <li>• administrative offence procedures</li> <li>• the possibility of temporary suspension of business activity</li> <li>• account freezing</li> </ul>	

#### B) Digital intermediation services between third parties

REQUIREMENTS	VAT	CIT
<b>Tax Regulations</b>	<p>The following regulations apply:</p> <ul style="list-style-type: none"> <li>• Value Added Tax Act (VAT Act)</li> <li>• General Tax Act</li> <li>• DAC7 rules implemented into Croatian legislation</li> </ul>	

<b>Scope of regulations</b>	<p>If a platform acts as an intermediary between a seller and a buyer:</p> <ul style="list-style-type: none"> <li>• it must determine its VAT status (whether it acts solely as an intermediary or is considered the supplier)</li> <li>• if it is deemed to act on its own behalf, it may be required to charge VAT on the full transaction</li> </ul>	
<b>Whitholding Tax Obligations</b>	<p>Croatia does not have a general obligation for digital platforms to automatically withhold VAT on behalf of sellers.</p> <p>VAT is charged by the party that is the taxable person under the rules on the place of supply.</p> <p>There is no special “withholding agent” status for VAT in the standard system.</p>	
<b>Disclousure Reports</b>	<p>Reporting obligations under DAC7</p> <p>Platforms are required to:</p> <ul style="list-style-type: none"> <li>• identify the sellers</li> <li>• collect transaction data</li> <li>• submit an annual report to the Tax Administration</li> </ul> <p>The deadline for submitting the report is 31 January for the previous calendar year.</p> <p>The reporting obligation applies even if the platform did not itself collect the funds.</p>	



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# CYPRUS

## A) Rendering of digital services by foreign residents without an establishment in Cyprus

REQUIREMENTS	VAT	CIT
<b>Scope of services included on the taxation rules</b>	Streaming (music, video, gaming); downloading images, e-books, videos, music; cloud services; online advertising; e-learning; web hosting and similar electronically supplied services. Cyprus currently does not impose a Digital Services Tax (DST); digital services are taxed under the general VAT framework.	No Cyprus CIT if there is no Permanent Establishment (PE). Non-resident companies are taxed in Cyprus only on Cyprus-source profits, generally where a PE exists (fixed place of business, dependent agent etc.). Delivering cross-border digital services to Cyprus customers without local PE does not by itself trigger CIT
<b>Tax Regulations</b>	Cyprus follows the EU VAT Directive and applies its own Value Added Tax Act, 195(I)/2000.	Cyprus Income Tax Law (Law 118(I)/2002) and applicable Double Tax Treaties based on the OECD Model.
<b>Identification of Local clients (source of income)</b>	Cyprus uses EU "place of supply" rules for digital services. Evidence includes billing address, IP address, payment card/bank country, etc	
<b>Tax ID required</b>	Yes, non-resident suppliers must register for Cyprus VAT once the first B2C sale is made (no threshold for non-EU digital suppliers).	Not applicable for CIT purposes unless a Permanent Establishment exists in Cyprus, in which case the entity must register with the Cyprus Tax Department and obtain a Tax Identification Code (TIC).
<b>Tax Compliance</b>	VAT rate: 19% standard rate. VAT returns are filed periodically (generally quarterly) or through the EU One-Stop Shop (OSS) system for non-resident suppliers. Invoicing must be EU-compliant	CIT rate is 15% as of 1/1/2026. If a Permanent Establishment exists, the non-resident entity must register for Cyprus tax, maintain accounting records, and file annual Corporate Income Tax returns.
<b>Legal Representation</b>	For non-EU it may be required unless they provide bank guarantee	No formal CIT 'tax representative' is required. Where a PE exists, the PE registers for tax and files returns directly; businesses commonly appoint a local auditor/tax agent for compliance
<b>Digital Platforms as a Permanent Establishment</b>	NO	Digital platforms do not automatically create a Permanent Establishment in Cyprus. A PE arises only if the non-resident has a fixed place of business in Cyprus or operates through a dependent agent with authority to conclude contracts, in accordance with Cyprus Income Tax Law and applicable Double Tax Treaties.
<b>Sanctions and penalties</b>	Penalties and interest for late registration/filing/payment; administrative fines by the Commissioner of Taxation may apply	General tax penalties under the Cyprus tax legislation apply in case of non-registration, late filing, or underpayment of tax.

**B) Digital intermediation services between third parties**

REQUIREMENTS	VAT	CIT
<b>Tax Regulations</b>	Cyprus applies the EU marketplace rules, where platforms may be deemed suppliers in certain B2C transactions (EU e-commerce package).	
<b>Scope of regulations</b>	Digital platforms facilitating supplies must determine customer location evidence and whether the platform becomes a deemed supplier	
<b>Whitholding Tax Obligations</b>	None. Cyprus does not impose withholding tax on digital platform transactions (VAT-only environment under EU rules).	No general WHT on platform fees to non-residents. Royalties used in Cyprus: 10% (5% films), treaty/EU relief may apply. From 1-Jan-2026, defensive measures apply for payments to low-tax jurisdictions (e.g., WHT on dividends; non-deductibility for interest/royalties), in addition to rules for EU-blacklisted jurisdictions
<b>Disclosure Reports</b>	Platforms may need to provide transaction data under EU VAT OSS scheme or EU DAC7 reporting obligations	



  
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# EGYPT

## A) Rendering of digital services by foreign residents without an establishment in Egypt

REQUIREMENTS	VAT	CIT
<b>Scope of services included on the taxation rules</b>	<p>Digital services supplied remotely to customers in Egypt including:</p> <ul style="list-style-type: none"> <li>• Streaming of films, music, games and digital content</li> <li>• Downloading software, applications, e-books and digital media</li> <li>• Online advertising services</li> <li>• Cloud computing and data storage</li> <li>• Online platforms, marketplaces and subscription services</li> <li>• Distance learning and other electronically supplied services</li> </ul> <p>These services fall within the scope of the Egyptian Value Added Tax Law when consumed in Egypt.</p>	<p>Egypt does not currently impose a specific Digital Services Tax. Foreign providers are subject to Corporate Income Tax only if their activities create a Permanent Establishment in Egypt under Income Tax Law No. 91 of 2005 and applicable tax treaties.</p>
<b>Tax Regulations</b>	<p>Egyptian VAT Law No. 67 of 2016 (as amended) and its Executive Regulations. The Egyptian Tax Authority introduced a Simplified VAT Registration Regime for non-resident suppliers of digital services provided to Egyptian consumers.</p>	
<b>Identification of Local clients (source of income)</b>	<p>Indicators that the service is consumed in Egypt include:</p> <ul style="list-style-type: none"> <li>• Billing or residence address of the customer in Egypt</li> <li>• Egyptian IP address of the device used</li> <li>• Egyptian mobile country code (+20)</li> <li>• Payment method issued by Egyptian financial institutions</li> <li>• Any other commercially relevant information indicating the customer is located in Egypt.</li> </ul>	
<b>Tax ID required</b>	<p>Yes. Non-resident suppliers providing digital services to consumers in Egypt must register under the Simplified VAT Registration System with the Egyptian Tax Authority (ETA).</p>	

<b>Tax Compliance</b>	<ul style="list-style-type: none"> <li>Charge Egyptian VAT at the standard rate (currently 14%) on B2C digital services consumed in Egypt.</li> <li>Submit periodic VAT returns through the simplified electronic system.</li> <li>Remit VAT due to the Egyptian Tax Authority in foreign currency.</li> <li>Maintain records of Egyptian transactions.</li> </ul>	
<b>Legal Representation</b>	A formal legal representative is generally not required under the simplified VAT regime; however, the supplier must appoint a contact person and comply with electronic communication with the Egyptian Tax Authority.	
<b>Digital Platforms as a Permanent Establishment</b>	No	No, unless the activities create a Permanent Establishment in Egypt (e.g., fixed place of business, dependent agent, or significant physical presence).
<b>Sanctions and penalties</b>	Non-compliance may lead to administrative penalties, late payment interest, and enforcement actions by the Egyptian Tax Authority including restriction of access to digital platforms in Egypt.	

#### B) Digital intermediation services between third parties

REQUIREMENTS	VAT	CIT
<b>Tax Regulations</b>	Egyptian VAT Law No. 67 of 2016 and Executive Regulations governing electronic services and digital platforms.	
<b>Scope of regulations</b>	Applies to digital platforms or online marketplaces that facilitate the supply of goods or services to customers in Egypt through electronic interfaces.	
<b>Whitholding Tax Obligations</b>	Egyptian VAT legislation does not generally impose a full withholding obligation on digital platforms. However, platforms facilitating supplies may be required to ensure VAT compliance or register where they are deemed to be supplying digital services to Egyptian consumers.	
<b>Disclosure Reports</b>	Digital platforms may be required to provide transaction information to the Egyptian Tax Authority upon request, including data related to suppliers and customers using the platform.	



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# GERMANY

## A) Rendering of digital services by foreign residents without an establishment in Germany

REQUIREMENTS	VAT	CIT
<b>Scope of services included on the taxation rules</b>	<ul style="list-style-type: none"> <li>• Downloading images, text, information, videos, music, games, e-books</li> <li>• Provision of websites, web hosting, remote maintenance of programs</li> <li>• Online clubs and dating sites</li> <li>• Distance Learning</li> </ul>	No Digital Service Tax is in force in Germany
<b>Tax Regulations</b>	<ul style="list-style-type: none"> <li>• Section 3a(5) of the German VAT Act (UStG) in B2C Scenario (digital service is taxable at the place of residence);</li> <li>• Section 3a(2) of the German VAT Act (UStG) in B2B Scenario (digital service is taxable where the entrepreneur has its place of economic activity or its permanent establishment)</li> <li>• One-Stop-Shop regulation in Section 18i German VAT Act (for service providers based in Non-EU-Countries) and Section 18j German VAT Act (for service providers based in EU-Countries).</li> </ul>	
<b>Identification of Local clients (source of income)</b>	<ul style="list-style-type: none"> <li>• Client declares a German address</li> <li>• IP address of electronic device matches with range of addresses assigned to Germany</li> <li>• Recipient has provided supplier with a phone number whose country code corresponds with Germany</li> </ul> <p>Important note: The service provider can generally assume that a service recipient based in Germany or elsewhere in the EU is a private individual if the recipient has not provided the service provider with a VAT ID number</p>	
<b>Tax ID required</b>	<p>Yes, provided that service recipient is a private individual and service is taxable in Germany.</p> <ul style="list-style-type: none"> <li>• But service providers based in other EU-Countries can report their services and the German VAT via the EU-OSS-procedure at the relevant federal tax office in their country of residence. Therefore VAT registration can be avoided in Germany for EU-service providers.</li> <li>• Service providers from Non-EU-Countries are not obliged to register in Germany, if they are already registered for the OSS-procedure (Non-EU-OSS- procedure) in another EU-Country which is deemed as State of Identification.</li> <li>• In the case where the Non-EU-Country-service provider is not registered for OSS in another EU-Country so far, then the service provider can decide to register for the OSS-procedure in Germany to avoid numerous individual registrations in other EU member states when digital services are provided to private individuals which are taxable in the country of the private individual's residence. Registration generally begins on the first day of the calendar quarter following the application. Entrepreneurs should therefore register for the OSS procedure in time before they generate any relevant turnover in the EU. The registration is done electronically via the online portal of the Federal Central Tax Office. If the registration application is accepted, then the service provider will receive a special VAT ID number for the non-EU OSS procedure (format: EUxxxxxyyyz).</li> </ul>	

<b>Tax Compliance</b>	<p>Only in B2C Scenario:</p> <ul style="list-style-type: none"> <li>Assuming OSS-procedure is chosen: Calculating VAT and Filing quarterly OSS return</li> <li>Assuming OSS-procedure is not chosen: quarterly or monthly filing VAT Returns (depends on the German VAT paid in the previous year)</li> <li>Foreign service providers are not obliged to issue e-invoices.</li> <li>Services must be added with 19% VAT tax rate; but exceptions for e-books (7 % VAT tax rate) and distance learning that is permitted under the Distance Learning Protection Act (tax free)</li> </ul>	
<b>Legal Representation</b>	<p>Fiscal representative not necessary.</p> <ul style="list-style-type: none"> <li>If OSS-procedure is not chosen, but only VAT registration in Germany, then entrepreneurs from other EU-Countries can register themselves directly and entrepreneurs based in Non-EU-Countries solely need an authorized representative who receives all written communications and documents from the tax authorities for the entrepreneur.</li> <li>In case where Non-EU-OSS-procedure is chosen entrepreneurs from Non-EU-Countries can register directly for the procedure electronically via the online-portal of the Federal Central Tax Office; in this case no legal representation necessary.</li> <li>In case where EU-OSS-procedure is chosen, there is no registration required in Germany.</li> </ul>	
<b>Digital Platforms as a Permanent Establishment</b>	NO	NO
<b>Sanctions and penalties</b>	<ul style="list-style-type: none"> <li>In the non-OSS case: Failure on duly payment of collected VAT leads to penalties and surcharges.</li> <li>In the OSS case: Failure on reporting digital services or paying VAT in time leads to penalties and surcharges and in the event of repeated failures to comply with obligations the Federal Central Tax Office excludes the service provider from the OSS procedure.</li> </ul>	

#### B) Digital intermediation services between third parties

REQUIREMENTS	VAT	CIT
<b>Tax Regulations</b>	Section 3(11 a) of the German VAT Act (UStG) in B2C and B2B Scenarios (fictitious service commission)	
<b>Scope of regulations</b>	Where electronically supplied services are supplied through an online-platform, a taxable person (the online-platform acting as intermediary between the service provider and the service recipient) taking part in that supply shall be presumed to be acting in his own name but on behalf of the service provider when specific conditions are met.	

<b>Withholding Tax Obligations</b>	<ul style="list-style-type: none"> <li>• Taxable persons who operate with their online-platform as intermediary for digital services have to comply with the VAT obligations set out above in section A , if all the requirements for a fictitious service commission are met. In this scenario the service provider merely provides a B2B service to the electronic interface (online-platform) which does not result in any registration obligations in Germany for the service provider.</li> <li>• In the case where the requirements of a fictitious service commission are not met, then the service provider of the digital service has to comply with the obligations set out in section A.</li> <li>• So far, there is no withholding tax obligation for the electronic platform in Germany.</li> </ul>	
<b>Disclosure Reports</b>	<p>Where a taxable person uses an electronic interface to support the provision of other services to a non-business customer, specific records have to be kept in accordance with Section 22 f (3) German VAT Act (UStG) and Article 54c of Council Implementing Regulation (EU) No. 282/2011.</p>	



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# ISRAEL

## A) Rendering of digital services by foreign residents (nonresident suppliers)

REQUIREMENTS	VAT	CIT
<p><b>Scope of services included on the taxation rules</b></p>	<p>Israel has no standalone VAT “digital services regime” for nonresident suppliers (as of 19 Feb 2026). Digital services are taxed under the general VAT framework, primarily based on whether there is a “transaction in Israel” and whether the supplier has business/activity in Israel.</p> <p>Imported services: where conditions are met, VAT may be accounted for by the Israeli recipient under a reverse-charge mechanism (VAT Regulations, Regulation 6D).</p> <p>Online sale of goods to Israeli customers (cross-border e-commerce):</p> <ul style="list-style-type: none"> <li>• VAT is generally due on importation of goods into Israel and is collected at import/customs clearance (together with customs duty and purchase tax where applicable).</li> <li>• For “personal import” parcels, goods up to USD 150 may be exempt from import taxes (VAT, customs duty and purchase tax), subject to exclusions and conditions (effective 24 Dec 2025). This impacts low-value B2C e-commerce shipments to Israeli consumers.</li> <li>• If the platform/seller is the importer of record (e.g., local fulfillment, stock in Israel, or contractual structure where the platform sells as principal), the platform’s Israeli VAT registration obligations should be assessed.</li> </ul> <p>Further reading (AUREN Israel):</p> <ul style="list-style-type: none"> <li>• VAT in Israel for Foreign Companies - Top 7 Key Questions Answered: <a href="https://auren.com/il/blog/vat-in-israel-for-foreign-companies-top-7-key-questions-answered/">https://auren.com/il/blog/vat-in-israel-for-foreign-companies-top-7-key-questions-answered/</a></li> <li>• Is Your Company Overpaying VAT on activities in Israel?: <a href="https://auren.com/il/blog/is-your-company-overpaying-vat-on-activities-in-israel/">https://auren.com/il/blog/is-your-company-overpaying-vat-on-activities-in-israel/</a></li> <li>• Industry &amp; Commerce (incl. e-commerce): <a href="https://auren.com/il/industries/industry-and-commerce/">https://auren.com/il/industries/industry-and-commerce/</a></li> </ul>	<p>Israel does not impose a separate Digital Services Tax (DST) on gross revenues.</p> <p>A nonresident company is generally subject to Israeli corporate income tax only on income accrued or derived in Israel. In treaty cases, business profits are typically taxable in Israel only if the nonresident has a Permanent Establishment (PE) / branch in Israel (fact-driven).</p> <p>For cross-border e-commerce (services or goods), the income-tax outcome depends on the factual operating model (people and functions in Israel, warehousing/fulfillment, dependent agents, contracting party, etc.).</p> <p>Separately, Israeli withholding tax rules may apply to certain payments from Israel to nonresidents (e.g., royalties and, in some cases, services performed in Israel), unless a reduced rate / exemption certificate applies.</p>
<p><b>Tax Regulations</b></p>	<p>Primary legal framework (VAT):</p> <ul style="list-style-type: none"> <li>• Value Added Tax Law, 5736-1975.</li> <li>• VAT Regulations, 5736-1976 (including Regulation 6D on reverse-charge for certain imported services).</li> <li>• VAT also applies on the importation of goods; import VAT is typically collected at customs clearance.</li> <li>• Standard VAT rate: 18% (effective 1 Jan 2025).</li> </ul>	<p>Primary legal framework (income tax):</p> <ul style="list-style-type: none"> <li>• Income Tax Ordinance [New Version] and related regulations.</li> <li>• Withholding tax regulations (including rules for payments to nonresidents).</li> <li>• Tax treaties (where applicable) for PE concepts and withholding limitations.</li> </ul>

<b>Identification of Local clients (source of income)</b>	<p>Israel does not use a stand-alone “customer location test” for VAT that is specific to digital services. VAT results depend on general statutory connecting factors for whether a service is considered supplied “in Israel” and whether the supplier has business/activity in Israel.</p> <p>For imported services where reverse charge applies (Regulation 6D), the Israeli recipient self-accounts for VAT and keeps the required documentation.</p> <p>For goods sold online and shipped from abroad, the key “location” test is typically the place of import/clearance into Israel (import VAT collected at customs).</p>	<p>Income-tax nexus is fact-dependent and may turn on:</p> <ul style="list-style-type: none"> <li>• Where the services are actually performed.</li> <li>• Whether there is an Israeli PE (place of business / dependent agent, etc.) in treaty cases.</li> <li>• For goods, whether there is Israeli presence such as warehousing/fulfillment or sales activity in Israel, and who is the contracting seller/importer.</li> <li>• Classification of payments (services vs. royalties) for withholding purposes.</li> </ul>
<b>Tax ID required</b>	<p>Tax ID / registration (VAT):</p> <ul style="list-style-type: none"> <li>• If the foreign supplier is required to register for Israeli VAT (e.g., business/activity in Israel), it must register and comply as a VAT taxpayer.</li> <li>• If VAT is accounted for under reverse charge (Regulation 6D), the Israeli recipient uses its own VAT registration in its VAT filings; the foreign supplier may not have an Israeli VAT number.</li> <li>• For importation of goods, the importer of record is identified for customs/import VAT purposes (often via customs agent/courier).</li> </ul>	<p>Tax ID / registration (income tax):</p> <ul style="list-style-type: none"> <li>• If a nonresident has a taxable presence/PE in Israel, it generally needs a local tax file for corporate income tax compliance.</li> <li>• For withholding tax, a nonresident often relies on an Israeli Tax Authority certificate to reduce/exempt withholding (where applicable).</li> </ul>



<p><b>Tax Compliance</b></p>	<p>Compliance (VAT):</p> <ul style="list-style-type: none"> <li>• Standard VAT rate: 18% (effective 1 Jan 2025).</li> </ul> <p>Two common models:</p> <p>1) Foreign supplier registered in Israel:</p> <ul style="list-style-type: none"> <li>• Issues Israeli VAT invoices/receipts as required, charges VAT where applicable, files periodic VAT returns, and maintains books/records.</li> <li>• A foreign VAT taxpayer with activity in Israel must generally appoint a fiscal representative (VAT Law, Section 60).</li> </ul> <p>2) Imported services (reverse charge - Regulation 6D):</p> <ul style="list-style-type: none"> <li>• The Israeli recipient reports and pays VAT in its VAT return (self-assessment), subject to the regulation's conditions and documentation.</li> </ul> <p>Goods in cross-border e-commerce:</p> <ul style="list-style-type: none"> <li>• Import VAT is generally paid at customs clearance on the customs value (typically including shipping/insurance) and together with any applicable customs duty and purchase tax.</li> <li>• Personal-import thresholds/exemptions may apply for low-value parcels; as of 24 Dec 2025, goods up to USD 150 may be exempt from import taxes (subject to exclusions and conditions).</li> </ul> <p>Need legal certainty on classification / place-of-supply / reverse charge?</p> <ul style="list-style-type: none"> <li>• Pre-Ruling and Ruling for VAT in Israel (updated 2025): <a href="https://auren.com/il/blog/pre-ruling-and-ruling-for-vat-in-israel-when-and-how-to-apply-updated-2025/">https://auren.com/il/blog/pre-ruling-and-ruling-for-vat-in-israel-when-and-how-to-apply-updated-2025/</a></li> </ul>	<p>Compliance (income tax):</p> <ul style="list-style-type: none"> <li>• If the nonresident has Israeli taxable income (e.g., via a PE/branch), it typically must file corporate income tax returns and comply with Israeli corporate tax rules.</li> </ul> <p>Even without a PE, payments from Israel to nonresidents may be subject to withholding tax, unless reduced/exempt (e.g., treaty relief) and supported by an Israeli Tax Authority certificate.</p> <p>For platforms/marketplaces, withholding obligations may also arise where the platform (as payer) pays sellers/service providers (resident or nonresident), depending on classification and applicable certificates.</p>
<p><b>Legal Representation</b></p>	<p>Legal representation (VAT):</p> <p>Yes, in relevant cases. A foreign VAT taxpayer whose principal business/activity is outside Israel but who has business/activity also in Israel must appoint, within 30 days, a representative resident in Israel (VAT Law, Section 60). The representative is treated, for VAT purposes, as the VAT taxpayer.</p> <p>Short statutory extract (non-official translation):</p> <p>"must appoint, within 30 days, a representative resident in Israel ..."</p>	<p>Legal representation (income tax):</p> <p>There is no single statutory "fiscal representative" requirement in income tax law identical to VAT Section 60. However, in practice, a nonresident with Israeli taxable presence typically appoints an Israeli tax representative to manage filings, audits, and withholding certificates.</p>

<b>Digital Platforms as a Permanent Establishment</b>	<p>Digital platforms as "PE" (VAT):  VAT does not use the "Permanent Establishment" concept in the same way as income tax treaties. The practical VAT question is whether the nonresident has business/activity in Israel requiring VAT registration (and fiscal representation under VAT Law, Section 60).</p>	<p>Digital platforms as "PE" (income tax):  In income tax, the PE concept is central in treaty cases. A purely digital presence may or may not create a PE; the analysis is fact-specific (e.g., people/functions in Israel, dependent agents, fixed place of business, servers/IT assets located in Israel, warehousing/fulfillment, etc.).  Further reading (AUREN Israel):  International Tax and Accounting Compliance for Multinational Companies in Israel: <a href="https://auren.com/il/blog/international-tax-and-accounting-compliance-for-multinational-companies-in-israel/">https://auren.com/il/blog/international-tax-and-accounting-compliance-for-multinational-companies-in-israel/</a></p>
<b>Sanctions and penalties</b>	<p>Sanctions and penalties (VAT):  Non-compliance may lead to assessments, interest and linkage, administrative fines, and (in serious cases) criminal exposure under the VAT Law. Registration may be cancelled or corrected by the VAT Director where appropriate.</p>	<p>Sanctions and penalties (income tax):  Non-compliance (including failure to withhold where required, or failure to file/pay) may result in assessments, penalties, interest, and enforcement actions under Israeli tax law.</p>

**B) Digital intermediation services between third parties (marketplaces / platforms)**

REQUIREMENTS	VAT	CIT
<b>Tax Regulations</b>	<p>Primary framework (VAT):  There is no dedicated "marketplace VAT regime" in Israel that automatically makes a platform responsible for collecting VAT on all underlying third-party sales (unlike some jurisdictions). VAT treatment depends on:</p> <ul style="list-style-type: none"> <li>• Whether the platform acts as agent/intermediary vs. principal (reseller).</li> <li>• Whether the platform and/or the underlying seller is/are VAT-registered in Israel.</li> <li>• For foreign platforms providing intermediation services to Israeli businesses, whether reverse charge under Regulation 6D applies (fact-driven).</li> </ul> <p>For online sale of goods, the platform's role as importer of record (or local fulfillment) is a key VAT risk factor.</p>	<p>Primary framework (income tax):  Income Tax Ordinance, withholding regulations, and applicable treaties. Platform structures may raise PE and withholding questions, depending on the facts (contracting party, place of performance, dependent agents, warehousing/fulfillment, etc.).</p>

<b>Scope of regulations</b>	<p>Scope (VAT):</p> <ul style="list-style-type: none"> <li>• The platform’s commission/intermediation fee is generally VATable if the platform is a VAT taxpayer in Israel or required to register.</li> <li>• The underlying supply (goods/services) remains VATable at the supplier level unless the platform is treated as the supplier (principal) under the contractual/legal structure.</li> <li>• For goods imported into Israel, import VAT is generally collected at customs clearance from the importer of record (which may be the buyer, the seller, or the platform, depending on the model).</li> </ul>	<p>Scope (income tax):</p> <ul style="list-style-type: none"> <li>• The platform may be taxable in Israel if it has a PE/branch or other Israeli-source income.</li> <li>• Payments to/from Israel may be subject to withholding (subject to certificates/treaties).</li> <li>• For goods, Israeli presence such as warehousing/fulfillment or local sales functions can materially affect PE and source analysis.</li> </ul>
<b>Whitholding Tax Obligations</b>	<p>VAT withholding obligations:</p> <p>Israel does not generally impose a platform-level VAT “withholding/collection” regime as a standard rule.</p> <p>Instead:</p> <ul style="list-style-type: none"> <li>• If the platform is a VAT taxpayer in Israel, it accounts for VAT on its own fees and, depending on structure, possibly on the full transaction as principal.</li> <li>• For foreign platforms providing services regarded as supplied in Israel, reverse charge (Regulation 6D) may shift VAT to the Israeli recipient (subject to conditions).</li> </ul>	<p>Withholding tax obligations:</p> <p>Israeli withholding tax obligations may apply where a platform (or other payer) pays suppliers/service providers, including:</p> <ul style="list-style-type: none"> <li>• Withholding on payments for services/assets (resident payees) unless an exemption/reduced rate applies.</li> <li>• Withholding on payments to nonresidents unless reduced/exempt (often via certificate/treaty relief).</li> </ul>
<b>Disclosure Reports</b>	<p>Disclosure / reporting:</p> <p>Israel does not currently have a single, broad “platform transaction reporting” rule in the VAT law comparable to some foreign regimes. VAT reporting is generally through standard VAT returns and invoicing/record-keeping obligations of the relevant VAT taxpayers.</p> <p>Where the legal characterization is uncertain (agent vs. principal; place of supply; reverse charge; importer of record), obtaining an advance ruling/pre-ruling may provide certainty.</p> <p>Learn more about our tax services: <a href="https://auren.com/il/services/tax/">https://auren.com/il/services/tax/</a></p> <p>Contact AUREN Israel: <a href="https://auren.com/il/contact/">https://auren.com/il/contact/</a></p>	<p>Disclosure / reporting:</p> <p>Israel does not currently have a broad, economy-wide platform reporting regime equivalent to EU DAC7. However, policymakers have discussed introducing targeted reporting obligations for certain online platforms (e.g., short-term rental marketplaces) as part of the 2026 Economic Arrangements process; enactment status and final scope should be confirmed for the relevant publication date.</p> <p>In practice, income-tax reporting typically follows standard annual reporting (where taxable in Israel) and withholding-related reporting obligations.</p> <p>Learn more about our tax services: <a href="https://auren.com/il/services/tax/">https://auren.com/il/services/tax/</a></p> <p>Contact AUREN Israel: <a href="https://auren.com/il/contact/">https://auren.com/il/contact/</a></p>



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# ITALY

## A) Rendering of digital services by foreign residents without an establishment in Italy

	Expectations	VAT	CIT
<b>Scope of services included on the taxation rules</b>	Detail which services are taxed (e.g., streaming, downloads, e-learning, online dating)	<p>All transactions involving services made available to the recipient in digital form and via an electronic network. In these cases, it is not a transfer of goods but a provision of services, for which the time of payment is relevant for VAT purposes. The transaction takes place entirely electronically, with the product not materialising in a tangible form. The indicative list of services provided electronically (so-called "e-commerce services") is contained in Annex II to Directive 2006/112/EC, which refers to:</p> <ul style="list-style-type: none"> <li>• the provision of websites and web hosting, remote management of programmes and equipment;</li> <li>• the provision of software and related updates;</li> <li>• the supply of images, texts and information and the provision of databases (e.g. the supply of advertising space including banners, digitised content of books and other electronic publications);</li> <li>• the supply of music, films, games, including games of chance or gambling, programmes or events of a political, cultural, artistic, sporting, scientific or entertainment nature;</li> <li>• the supply of distance learning services.</li> </ul> <p>In turn, Annex I to EU Regulation No. 282/2011 provides further examples for each of the above types of services.</p>	<p>Without permanent establishment the Italian law does not require Corporate tax to be paid.</p> <p>Persuant to Law N. 145/2018 a specific tax on digital services has been introduced since 2020. The web tax is applied to companies that, during the previous calendar year, realised total revenues of at least €750 million worldwide, either individually or as a group, and realised revenues in Italy from the following digital services:</p> <ul style="list-style-type: none"> <li>• delivery of targeted advertising to users of a digital interface;</li> <li>• provision of a multilateral digital interface that allows users to connect and interact with each other, including for the purpose of facilitating the direct supply of goods or services;</li> <li>• transmission of data collected from users and generated by the use of a digital interface.</li> </ul>
<b>Tax Regulations</b>	Indicate the specific laws and articles governing these obligations (e.g., VAT Law)	Presidential Decree n. 633/72 (VAT Decree), Directive 2006/112/CE	Presidential Decree n. 917/86 (TUIR) , Article 1, paragraph 35 et seq. of Law N. 145/2018 and subsequent amendments

<p><b>Identification of Local clients (source of income)</b></p>	<p>How does the country identify the client as local? (e.g., IP address, phone prefix, declared address)</p>	<p>The provider must be based on factual information obtained from the recipient, such as the billing address, the IP address of the device used, bank details, and other relevant information.</p>	<p>Not applicable for Corporate tax.</p> <p>Regarding the Web Tax the revenues are identify as taxable if the user of the digital service is located in the Italian.</p> <p>To determine whether taxable revenues are taxable in Italy, the location of the user is rilevant. In general, revenues are taxable if the user of the digital service is located within the Italian . In order to establish the location of the user, reference must be made to the location of the device used by the user to access the digital interface.</p> <p>For localisation within the Italian territory reference is generally the IP address or other geolocation system.</p> <p>The Tax Agency Circular n. 3/2021, paragraph 5.1, specifies additional geolocation methods, which can be used in combination, and which the company must keep track of:</p> <ul style="list-style-type: none"> <li>• GPS targeting</li> <li>• base stations: this is a process of geolocating mobile devices that can work through the telecommunications service provider, a GSM modem or through an application programming interface that works on the browser, such as the application programming interface (API) for detecting geographical location. Devices connected to mobile phone networks</li> <li>• WIFI to which the mobile device connects</li> <li>• beacons, i.e. low-power location transmitters that send a signal within a radius of up to 50 metres, using Bluetooth Low Energy technology</li> <li>• information provided directly by the user, such as automated remote monitoring of user activity (e.g. through cookies).</li> </ul>
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<p><b>Tax ID required</b></p>	<p>Must the foreigner obtain a local tax ID? Indicate deadlines and requirements</p>	<p>In the case of services provided as part of transactions:</p> <p><b>B2B:</b> the customer is the tax debtor and will pay the VAT. If the supplier is established in an EU country, VAT is paid using the integration and registration procedure provided for in Articles 46 and 47 of Decree Law No. 331/1993.</p> <p>If the supplier is established in a non-EU country, VAT is paid using the self-invoicing procedure referred to in Article 17, paragraph 2, of Presidential Decree No. 633/1972.</p> <p><b>B2C:</b></p> <p>1) EU service provider (art. 7-octies DPR633/72 ): VAT paid in the service provider's country for sales of less than €10,000 per year (threshold for EU countries) or VAT paid in Italy (the customer's country) for sales of more than €10,000 per year. In the latter case, the service provider liable for the tax may pay VAT either:</p> <ul style="list-style-type: none"> <li>• by registering for VAT purposes in Italy through direct identification, where permitted, or by appointing a tax representative</li> <li>• by using the special OSS regime, a system that allows the tax due in other EU Member States to be declared and paid in a single EU Member State (State of identification), without the need to register in each of the latter. The State of identification then transfers the tax to the relevant States.</li> </ul> <p>2) Non-EU service provider without a permanent establishment in another EU country (art. 74-quinques Dpr 633/72), VAT is paid in Italy:</p> <ul style="list-style-type: none"> <li>• by registering for VAT in the EU country of the customer through direct registration, where permitted, or by appointing a tax representative, or</li> <li>• by using the OSS regime</li> </ul>	<p>Not applicable for Corporate tax.</p> <p>Concerning the web Tax non-resident entities, without a permanent establishment in the territory of the State and without a VAT identification number, which during a calendar year meet the conditions to apply the web tax, must apply to the Italian Revenue Agency for a tax identification number for digital services tax purposes.</p> <p>Non-resident entities, without a permanent establishment in the territory of the State, established in a State other than a Member State of the European Union or of the European Economic Area with which Italy has not concluded an agreement on administrative cooperation for combating tax evasion and tax fraud and an agreement on mutual assistance for the recovery of tax claims, must appoint a fiscal representative in order to fulfil the declaration and payment obligations relating to the digital services tax.</p>
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<b>Tax Compliance</b>	Applicable tax rate, filing frequency, and whether local electronic invoicing is required	<p>Ordinary VAT of 22% applies, except for e-books and online newspapers and periodicals, which benefit from a reduced rate of 4%. No electronic invoicing is required.</p> <p>In the case of B2C transactions and tax identification in the customer's country, an annual VAT return must be submitted by 30 April of the year following the reference year for the transactions, and quarterly VAT communication must be submitted (31/05; 30/09; 30/11; 28/02/y+1).</p> <p>In the case of B2C transactions and compliance to the OSS regime, the service provider must summarise the transactions carried out in each calendar quarter in a specific declaration within the month following the reference quarter. The tax due on transactions falling under the special regime must be paid quarterly, within the month following the reference calendar quarter.</p>	<p>Revenues earned in accordance with the provisions of Article 1, paragraph 35 et seq. of Law No. 145/2018 (digital services), if the above conditions are satisfied, are subject to a 3% tax rate on revenues deriving from the provision of the services indicated. Interested parties must submit, electronically, by 30 June of each year, a declaration containing the revenues received in the previous calendar year. The tax must be paid using form F24 in two instalments: an advance payment equal to 30% of the tax due for the previous calendar year by 30 November of the year in which the tax liability arises; the balance by 16 May of the following year. Non-residents who do not have a current account with a bank or post office in Italy and who cannot make the payment using form F24 may make the payment by bank transfer.</p>
<b>Legal Representation</b>	Is it mandatory to appoint a resident representative and provide a local address for notifications?	<p>EU service provider only in B2C transactions involving services exceeding €10,000 within Italian country, if you choose indirect VAT identification instead of the OSS regime.</p> <p>Non-EU service provider, without a permanent establishment in another EU country, with B2C transaction in Italy instead of direct identification</p>	<p style="text-align: center;">N/A</p>

<p><b>Digital Platforms as a Permanent Establishment</b></p>	<p>Yes / No</p>	<p>Italian VAT legislation does not provide a definition of permanent establishment, although the main provisions (Presidential Decree 633/72 and Decree Law 331/93) often refer to this taxable person. The same can be said of VAT Directive 2006/112/EC.</p> <p>The concept of a permanent establishment is contained in Article 11 of EU Regulation No. 282/2011 which integrates the concept of a permanent establishment into any organisation, other than the place of business, "characterised by a sufficient degree of permanence and an appropriate structure in terms of human and technical resources to enable it to receive and use the services provided to it for its own needs".</p> <p>The requirements for the existence of a permanent establishment for VAT purposes are therefore:</p> <ul style="list-style-type: none"> <li>• the presence of an organisational structure;</li> <li>• an organisational structure that is different from the "place of business" of the taxable person (the latter being understood as the "place where the essential decisions concerning the general management of the business are taken");</li> <li>• a sufficient degree of permanence of the organisation itself;</li> <li>• a structure that is adequate in terms of human and technical resources to receive and use the goods/services purchased and/or carry out active operations relevant for VAT purposes.</li> </ul> <p>A permanent establishment present in the territory of the State in which VAT is due participates in a supply of goods or services provided that the technical or human resources of that permanent establishment are used by the taxable person for transactions relating to the supply in the territory of the State. The fact of having a VAT identification number is not in itself sufficient to consider that a taxable person has a permanent establishment. A digital platform does not automatically qualify as a permanent establishment</p>	<p>The article 162 of the TUIR, paragraph 2, letter f-bis), introduces the concept of 'significant and continuous economic presence in the territory of the State'. The 'significance' of the economic presence must be assessed using quantitative and qualitative parameters that certify the effective penetration of a specific entity in the national market.</p> <p>Following conditions are particularly important: the volume of revenue generated in the territory of the State, the number of Italian users or customers who interact with the digital platform, the frequency and economic significance of transactions concluded with residents, and the temporal continuity of such interactions.</p> <p>'Continuity' refers to the stability of the economic presence, which must be characterised by temporal persistence and not be merely occasional. This element highlights the need for digital economic activity to become part of the national economy, although not manifesting itself in a physical presence, is still significant and long-lasting.. The amendment to Article 162 of the TUIR stems from a review of the concept of permanent establishment as defined by the EU and the OECD, which identified three alternative elements:</p> <ol style="list-style-type: none"> <li>1. significant turnover with resident customers;</li> <li>2. digital factors (website, domain, payment methods)</li> <li>3. user characteristics.</li> </ol>
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<p><b>Sanctions and penalties</b></p>	<p>Consequences of non-compliance (e.g., fines, surcharges, or temporary platform blocking)</p>	<p>Legislative Decree 14 June 2024, No. 87, amended the sanctioning regime for VAT purposes:</p> <ul style="list-style-type: none"> <li>• omitted declaration is penalized at 120%;</li> <li>• inaccurate declaration is penalized at 70%;</li> <li>• underpayment is penalized at 25%.</li> </ul> <p>In the case of participation in the OSS scheme, for regularization purposes, the tax must be paid in the Member State of identification, while interest and penalties must be paid in the Member State of "consumption." Furthermore, if the taxpayer was registered for OSS but systematically fails to comply with the obligations, they may be excluded from the scheme (Articles 74-quinquies et seq. of Presidential Decree 633/1972), with the obligation to register individually in each Member State.</p>	<p>Article 1, paragraph 44, of Law 145/2018 provides that, for the purposes of the Web Tax, the sanctions applicable to value-added tax shall apply, insofar as they are compatible. Reference is therefore made to the corresponding section.</p>
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## B) Digital intermediation services between third parties

REQUIREMENTS	Expectations	VAT	CIT
<b>Tax Regulations</b>	Detail if the platform must withhold a percentage of tax (VAT or Income Tax) from the sellers	<p>Article 2-bis of Presidential Decree 633/72 (Articles 14-bis and 28 of Directive 2006/112/EC) introduced the concept of the legal fiction of the 'presumed supplier' in the case of digital platforms that connect suppliers and buyers, whereby B2C sales facilitated by the platform are split into two transactions: 1. a B2B sale from the indirect supplier to the platform (VAT exempt); 2. a B2C sale from the platform to the private buyer (with VAT charged). The rules on the deemed supplier in e-commerce VAT are mainly designed for sales of goods facilitated by electronic interfaces.</p> <p>For B2C electronic services, the classification of the platform as a 'deemed supplier' depends on specific contractual and operational conditions (it is not automatically provided for all digital supplies) and there is no specific Italian legislation. Article 9bis of Implementing Regulation (EU) No 282/2011 of 15 March 2011, for the application of the VAT Directive (2006/112/EC), interprets Article 28 of the VAT Directive for electronic services provided through interfaces.</p> <p>The rule does not automatically create a "presumed supplier" regime for all platforms:</p> <ul style="list-style-type: none"> <li>-the presumption only applies if the platform does not meet specific conditions of contractual transparency and invoicing;</li> <li>-if the conditions are met (invoices/receipts identifying the actual provider), then the intermediary is not considered a supplier for VAT</li> </ul>	Digital intermediation platforms are not automatically tax substitutes and do not have to apply withholding taxes on the remuneration of third-party sellers/suppliers. This depends exclusively on the type of income categories. In Italy, one example, concerns intermediation provided in the context of short-term rentals, where the platform applies a withholding tax of 21%.
<b>Scope of regulations</b>	State the legal deadline to provide withholding receipts to users (e.g., within 5 days of month-end)	N/A	If digital intermediary is required to apply a withholding tax at the time of payment, acting as a withholding agent, certification of the withholding tax applied must be provided by 16 March of the year following year that in which the withholding tax was applied.
<b>Whitholding Tax Obligations</b>	Is there a specific legal status for "Withholding Agents" in the local tax registry?	N/A	In Italy, this applies only to certain types of income. In such cases, the entity making the payment, acting as a withholding agent, applies the withholding tax.

<p><b>Disclosure Reports</b></p>	<p>What third-party transaction data must be reported to the authority monthly, even if no payment was collected?</p>	<p>DAC7 identifies digital platform operators that connect sellers and end users as obligated parties. The concept of a platform is broad and includes marketplaces, apps and web portals that facilitate economic transactions.</p> <p>Obligated platforms include: goods marketplaces, short-term rental platforms, apps for services and micro-jobs, vehicle rental systems, and apps for intermediation between individuals or professionals.</p> <p>The obligation applies to:</p> <ul style="list-style-type: none"> <li>platforms based in the EU,</li> <li>non-EU platforms that allow transactions with sellers resident in the EU or activities relating to properties located in the EU.</li> </ul> <p>The following are excluded:</p> <ul style="list-style-type: none"> <li>platforms that only offer advertising space without intermediating transactions;</li> <li>pure payment processors;</li> <li>platforms that do not intervene in matching.</li> </ul> <p>DAC7 requires platforms to implement a structured system of seller due diligence, similar to KYC processes.</p> <p>The model must be submitted by 31 January of the year following the calendar year in which the Seller is identified as a Reporting Seller, and the automatic exchange must take place within two months of the end of the period to which the information relates.</p>	<p>DAC7 identifies digital platform operators that connect sellers and end users as obligated parties. The concept of a platform is broad and includes marketplaces, apps and web portals that facilitate economic transactions.</p> <p>Obligated platforms include: goods marketplaces, short-term rental platforms, apps for services and micro-jobs, vehicle rental systems, and apps for intermediation between individuals or professionals.</p> <p>The obligation applies to:</p> <ul style="list-style-type: none"> <li>platforms based in the EU,</li> <li>non-EU platforms that allow transactions with sellers resident in the EU or activities relating to properties located in the EU.</li> </ul> <p>The following are excluded:</p> <ul style="list-style-type: none"> <li>platforms that only offer advertising space without intermediating transactions;</li> <li>pure payment processors;</li> <li>platforms that do not intervene in matching.</li> </ul> <p>DAC7 requires platforms to implement a structured system of seller due diligence, similar to KYC processes.</p> <p>The model must be submitted by 31 January of the year following the calendar year in which the Seller is identified as a Reporting Seller, and the automatic exchange must take place within two months of the end of the period to which the information relates.</p>
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# KENYA

## A) Rendering of digital services by foreign residents without an establishment in Kenya

REQUIREMENTS	VAT	CIT
<p><b>Scope of services included on the taxation rules</b></p>	<ul style="list-style-type: none"> <li>Downloadable digital content</li> <li>Subscription-based media</li> <li>streaming, listening, viewing or playing online digital content on any audio visual or electronic media</li> <li>Software programmes</li> <li>Electronic data management</li> <li>Search engines and automated helpdesk services</li> <li>Artificial intelligence services</li> <li>Ticketing services for events, theatres, restaurants and similar services</li> <li>Online education programmes</li> <li>Services that link the supplier to the recipient including platforms for transport hailing, online travel, rental and accommodation marketplaces and any other platforms that facilitate the provision of services, goods or property</li> <li>Transmission of data collected about users which has been generated from such users' activities on a digital marketplace, however monetized.</li> <li>Facilitation of any online payment including, money transfer services and exchange or transfer of digital assets</li> <li>Any other service carried out over the internet or an electronic network including through a digital marketplace that is not exempt under the Act.</li> </ul>	<ul style="list-style-type: none"> <li>Downloadable digital content</li> <li>Subscription-based media</li> <li>Any form of digital content</li> <li>Software programs, including software, drivers, website filters and firewalls</li> <li>Electronic data management</li> <li>Music and games</li> <li>Search engines and automated helpdesk services</li> <li>Ticketing services for events, theaters, restaurants, and similar services.</li> <li>Online education programs excluding education services.</li> <li>Digital content for listening, viewing or playing on any audio, visual or digital media</li> <li>Services that link the supplier to the recipient, including transportation-hailing platform</li> <li>Electronic services specified under section 8(3)</li> <li>Sales, licensing or any other form of monetizing data generated from users' activities</li> <li>Facilitation of online payment for, exchange or transfer of digital assets excluding services exempted under the Act</li> <li>Any other service provided through an electronic, internet and digital marketplace that is not exempt under the Act</li> </ul>
<p><b>Tax Regulations</b></p>	<p>THE INCOME TAX ACT Section 12E(6) (Cap. 470) and Income Tax (Significant Economic Presence Tax) Regulations, 2025.</p>	<p>Value Added Tax Act</p>

<b>Identification of Local clients (source of income)</b>	<ul style="list-style-type: none"> <li>The user accesses the digital interface through telecommunication or electronic devices from a terminal located in Kenya</li> <li>Payment for the services is made using a credit or debit facility provided by any financial institution or company in Kenya</li> <li>Services are acquired using an internet protocol address registered in Kenya or an international mobile phone country code assigned to Kenya</li> <li>The user has a business, residential or billing address in Kenya.</li> </ul>	<ul style="list-style-type: none"> <li>The user accesses the digital interface through telecommunication or electronic devices from a terminal located in Kenya</li> <li>Payment for the services is made using a credit or debit facility provided by any financial institution or company in Kenya</li> <li>Services are acquired using an internet protocol address registered in Kenya or an international mobile phone country code assigned to Kenya</li> <li>The user has a business, residential or billing address in Kenya.</li> </ul>
<b>Tax ID required</b>	Yes, a non-resident person without a permanent establishment in Kenya who provides digital services to a user in Kenya is required to make an application for registration under the simplified tax registration framework in the prescribed form within 30 days of commencing business.	Yes, non-residents engaging in income-generating activities in Kenya require a KRA pin for collecting and remitting VAT
<b>Tax Compliance</b>	SEP is due on or before the 20th of the following month. For the purposes of computing the tax under the regulation that it applies a 30% tax rate on 10% of gross turnover gained from Kenya resulting to a 3% rate of gross turnover.	VAT is due on or before the 20th day of the following month. This includes both the return and payment. Returns are submitted online via iTax
<b>Legal Representation</b>	A non-resident person without a permanent establishment in Kenya may appoint a tax representative or register under the simplified tax regime.	A non-resident person without a permanent establishment in Kenya may appoint a tax representative or register under the simplified tax regime.
<b>Digital Platforms as a Permanent Establishment</b>	NO	NO
<b>Sanctions and penalties</b>	<ul style="list-style-type: none"> <li>Late filing of SEP return- KES 20,000 or 5% of the tax due</li> <li>Late payment of SEP tax-1% monthly interest on principal</li> </ul>	<ul style="list-style-type: none"> <li>Late filing: Ksh 10,000/month or 5% of tax due (whichever is higher)</li> <li>Late payment :5% of tax due + 1% interest/month</li> </ul>

B) Digital intermediation services between third parties

REQUIREMENTS	VAT	CIT
Tax Regulations	N/A	NO, the platform is not required withhold a percentage of VAT from the sellers but it is required to remit its own VAT.
Scope of regulations	N/A	N/A
Whitholding Tax Obligations	N/A	Non residents without a permanent establishment in Kenya are not liable to Withhold tax. Withholding is only charged if the payments relates to supply of services such as professional fees by a local purchaser
Disclosure Reports	N/A	Not required; digital intermediaries are required to collect and remit VAT to the Tax authority



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## MALAYSIA

### A) Rendering of digital services by foreign residents without an establishment in Malaysia

REQUIREMENTS	VAT	CIT
<b>Scope of services included on the taxation rules</b>	Digital services provided by a foreign service provider (FSP) to Malaysian consumers through the internet or electronic networks. Examples include streaming services, software subscriptions, online advertising, cloud services, digital marketplaces, mobile applications, and online gaming.	Income derived from Malaysia may be subject to Malaysian income tax if the foreign entity has a permanent establishment (PE) in Malaysia.
<b>Tax Regulations</b>	Service Tax Act 2018 - Section 56A and Service Tax (Digital Services) Regulations 2019.	Income Tax Act 1967
<b>Identification of Local clients (source of income)</b>	A consumer is treated as Malaysian if any two of the following indicators exist: <ul style="list-style-type: none"> <li>• Malaysian billing address</li> <li>• Malaysian IP address</li> <li>• Malaysian bank or payment card</li> <li>• Malaysian phone country code</li> </ul>	Source rules apply if business operations are carried out in Malaysia or a permanent establishment exists.
<b>Tax ID required</b>	Foreign Service Providers must register for Service Tax Registration (FSP Registration) with the Royal Malaysian Customs Department (RMCD) if annual digital services supplied to Malaysian consumers exceed RM500,000.	Foreign companies operating via PE must register with LHDN (Inland Revenue Board of Malaysia) and obtain a tax reference number.
<b>Tax Compliance</b>	<ul style="list-style-type: none"> <li>• Charge 8% Service Tax on digital services supplied to Malaysian consumers</li> <li>• Submit quarterly SST returns</li> <li>• Pay service tax to Royal Malaysian Customs</li> </ul>	Corporate tax return required if PE exists in Malaysia.
<b>Legal Representation</b>	Not mandatory but foreign service providers usually appoint a local tax agent or intermediary for compliance.	Local tax agent often appointed if operating through PE.

<b>Digital Platforms as a Permanent Establishment</b>	Providing digital services alone does not automatically create a PE.	PE may arise if the foreign company has: <ul style="list-style-type: none"> <li>• fixed place of business</li> <li>• dependent agent</li> <li>• operations conducted in Malaysia</li> </ul>
<b>Sanctions and penalties</b>	Failure to register or pay service tax may result in: <ul style="list-style-type: none"> <li>• Penalties up to RM50,000</li> <li>• Additional penalties for late filing</li> <li>• Possible restriction of digital access in Malaysia</li> </ul>	Penalties apply under the Income Tax Act for failure to declare income or submit tax returns.

#### B) Digital intermediation services between third parties

REQUIREMENTS	VAT	CIT
<b>Tax Regulations</b>	Service Tax Act 2018 and Digital Services Regulations 2019	Income Tax Act 1967
<b>Scope of regulations</b>	Applies to online platforms or marketplaces operated by foreign providers facilitating the supply of goods or services to Malaysian consumers (e.g. app stores, online marketplaces, streaming platforms).	Taxable if the platform operator has a permanent establishment in Malaysia
<b>Whitholding Tax Obligations</b>	Malaysia generally does not impose withholding tax on digital services provided entirely offshore. However, withholding tax may apply if services are performed in Malaysia or considered technical services under Malaysian tax law.	Corporate tax applies where PE exists.
<b>Disclosure Reports</b>	Foreign digital service providers must maintain records and submit quarterly SST returns to RMCD.	Standard tax reporting requirements apply if the company is tax resident or has PE in Malaysia.



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# MALTA

## A) Rendering of digital services by foreign residents without an establishment in Malta

REQUIREMENTS	VAT	CIT
<b>Scope of services included on the taxation rules</b>	Electronically supplied services (ESS) to Maltese customers: SaaS/cloud, software & app downloads, streaming, online gaming, e-books, digital subscriptions, online advertising, etc.	No Maltese income tax unless the foreign supplier has a Permanent Establishment (PE) in Malta.
<b>Tax Regulations</b>	Value Added Tax Act (Cap. 406) and EU VAT place-of-supply rules for ESS (B2C taxed where the customer is located; OSS/Non-Union OSS can be used).	Income Tax Act (Cap. 123). Foreign companies are taxable only on Malta-source income attributable to a PE in Malta (treaty PE concept applies where relevant).
<b>Identification of Local clients (source of income)</b>	Customer location evidenced by at least two non-contradictory items (e.g., billing address, IP address, bank location, SIM/telephone country code).	Customer location alone does not create Malta source for CIT; focus is on where activities are carried out and whether there is a PE in Malta.
<b>Tax ID required</b>	Yes: VAT registration via EU OSS (for EU suppliers) or Non-Union OSS / Maltese VAT registration (for non-EU suppliers not using OSS).	Not required unless the supplier has a Malta PE / taxable presence (then Maltese tax registration and returns apply).
<b>Tax Compliance</b>	Charge Maltese VAT (standard rate 18% for most ESS) on B2C supplies; file OSS (quarterly) or Maltese VAT returns and pay VAT by the due dates; keep evidence of customer location.	If a PE exists: compute taxable profits attributable to the PE; file Maltese income tax return and pay tax at the standard corporate rate (35%) on those profits.
<b>Legal Representation</b>	A fiscal representative/intermediary may be required for some non-EU businesses registering for Maltese VAT outside OSS; otherwise not generally required under OSS.	No local representative required unless operating through a Maltese establishment / registered presence (then normal compliance/agent arrangements apply).
<b>Digital Platforms as a Permanent Establishment</b>	N/A (VAT concept is not PE-based).	A platform alone typically does not create a PE. A PE may arise only with a fixed place of business in Malta or a dependent agent habitually concluding contracts in Malta.
<b>Sanctions and penalties</b>	Penalties/interest for failure to register, late/incorrect VAT returns, and late payment under the VAT Act and subsidiary rules.	Penalties/interest for late filing, late payment, or under-declaration under Maltese income tax legislation; additional tax assessments may apply.

## B) Digital intermediation services between third parties

REQUIREMENTS	VAT	CIT
<b>Tax Regulations</b>	Value Added Tax Act (Cap. 406) and EU VAT rules on intermediation/commission services; VAT treatment depends on whether the customer is B2B (reverse charge where applicable) or B2C (taxed where the customer is located).	Income Tax Act (Cap. 123): taxable only if the platform has a PE in Malta; otherwise no Maltese CIT on platform profits.
<b>Scope of regulations</b>	VAT generally applies to the platform's service fee/commission (not the full underlying transaction amount) depending on the place-of-supply rules.	No specific Malta income tax regime for the underlying seller payments; only profits attributable to a Malta PE would be taxed.
<b>Whitholding Tax Obligations</b>	No VAT withholding mechanism.	No: Malta generally does not require platforms to withhold income tax from sellers on marketplace payments.
<b>Disclosure Reports</b>	No specific VAT disclosure report beyond normal VAT/OSS reporting.	Yes: DAC7 platform reporting (as implemented in Malta) requires annual reporting to the Commissioner for Revenue of reportable sellers and consideration (e.g., identity, TIN, address, bank account, total paid, number of transactions).



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# MEXICO

## A) Rendering of digital services by foreign residents without an establishment in Mexico

REQUIREMENTS	VAT	CIT
<b>Scope of services included on the taxation rules</b>	<ul style="list-style-type: none"> <li>• Downloading images, text, information, videos, music, games. (electronic books not included)</li> <li>• Online clubs and dating sites</li> <li>• Distance Learning</li> </ul>	No Digital Service Tax is in force in Mexico
<b>Tax Regulations</b>	Chapter III, Section I VAT Law. Articles 18-B to 18-H	
<b>Identification of Local clients (source of income)</b>	<ul style="list-style-type: none"> <li>• Client declares a mexican address</li> <li>• Client pays through an intermediary located in Mexico</li> <li>• IP address of electronic device matchs with range of addresses assigned to Mexico</li> <li>• Recipient has provided supplier with a phone number whose country code corresponds with Mexico</li> </ul>	
<b>Tax ID required</b>	Yes, Foreign provider must get its Federal Taxpayer Registry (RFC) within next 30 days of having provided services for first time. Such Registration must be published on the Official Gazette.	
<b>Tax Compliance</b>	<ul style="list-style-type: none"> <li>• Calculating VAT and Filing monthly VAT return. Services must be added with 16% VAT tax rate</li> <li>• Issuing CFDI (electronic bills when requested)</li> </ul>	
<b>Legal Representation</b>	Yes, a legal representative must be designated and foreign resident must provide a local domicile for notifications and surveillance purposes	
<b>Digital Platforms as a Permanent Establishment</b>	NO	NO
<b>Sanctions and penalties</b>	Failure on duly payment of collected VAT leads to penalties and surcharges. Failure on getting Tax ID, legal representative appointment or lack of getting electronic signature for tax purposes, may lead to a temporary blocking of access to digital services	

**B) Digital intermediation services between third parties**

REQUIREMENTS	VAT	CIT
<b>Tax Regulations</b>	Chapter III Section II VAT Law, Articles 18-J to 18-M	
<b>Scope of regulations</b>	This section applies for foreign residentes without PE that provide services described on Section I (see above) in addition to those requirements described on such Section I, but operates as intermediaries between supplier and recipient.	
<b>Whitholding Tax Obligations</b>	Legal entities or individuals who provide digital services as intermediaries must withheld 100% of the VAT transferred to the recipient. Such VAT must be payed on a monthly bases.	
<b>Disclosure Reports</b>	Provide the Tax Administration Service with the information listed on article 18-J on their customers who sell goods, provide services or grant the temporary use or enjoyment of goods, in whose operations they have acted as intermediaries, even if they have not collected the consideration and the corresponding value added tax	



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# PAKISTAN

## A) Rendering of digital services by foreign residents without an establishment in Pakistan

REQUIREMENTS	VAT	CIT
<b>Scope of services included on the taxation rules</b>	<ul style="list-style-type: none"> <li>• Downloading/streaming of images, videos, music, games and software</li> <li>• Online memberships, digital subscriptions and dating platforms</li> <li>• Distance learning and e-learning platforms</li> <li>• Cloud computing and SaaS services</li> <li>• Digital advertising services</li> </ul>	Income derived from Pakistan through digital presence or online services may be taxable under Pakistan income tax law
<b>Tax Regulations</b>	Provincial Sales Tax on Services Laws (e.g., Sindh, Punjab, KP, Balochistan) governing taxation of digital services consumed in Pakistan.	Income Tax Ordinance, 2001 - provisions relating to Pakistan-source income and digital presence of non-residents at the rate of 5% of the gross payments sent to foreign vendor/supplier in context of full and final withholding at the time of payment by sending intermediary like banks or licensed exchange company
<b>Identification of Local clients (source of income)</b>	<p>A user may be considered located in Pakistan if:</p> <ul style="list-style-type: none"> <li>• Customer declares a Pakistani billing address</li> <li>• Payment originates from a Pakistani bank account or card</li> <li>• IP address corresponds to Pakistan</li> <li>• Mobile number contains Pakistan country code (+92)</li> <li>• Digital services are consumed within Pakistan</li> </ul>	<p>Income is considered Pakistan-source where:</p> <ul style="list-style-type: none"> <li>• Payment originates from Pakistan</li> <li>• Services are used or exploited in Pakistan</li> </ul>
<b>Tax ID required</b>	Non-resident digital service providers may be required to register with the relevant provincial revenue authority where digital services are consumed.	Foreign entities earning income through digital presence in Pakistan may be required to register with FBR for tax purposes.
<b>Tax Compliance</b>	<ul style="list-style-type: none"> <li>• Charging Sales Tax on Digital Services (generally between 13%-16%, depending on province)</li> <li>• Filing periodic sales tax returns with provincial authorities</li> <li>• Maintaining digital transaction records</li> </ul>	If the non-resident has significant digital presence or Permanent Establishment (PE), corporate income tax obligations may arise under the Income Tax Ordinance, 2001.
<b>Legal Representation</b>	Non-resident providers may appoint a local tax representative or agent to fulfill compliance obligations and interact with tax authorities.	Same requirement may apply where registration with FBR is required.

<b>Digital Platforms as a Permanent Establishment</b>	Digital platforms alone generally do not automatically constitute a Permanent Establishment, unless there is significant economic presence or dependent agents in Pakistan.	Digital presence rules under Income Tax Ordinance, 2001 may treat certain digital transactions as Pakistan-source income even without physical presence.
<b>Sanctions and penalties</b>	<p>Failure to comply may lead to:</p> <ul style="list-style-type: none"> <li>• Monetary penalties</li> <li>• Default surcharge on unpaid tax</li> <li>• Enforcement actions by provincial authorities</li> </ul>	Penalties, additional tax, and recovery proceedings may apply under the Income Tax Ordinance, 2001.

## B) Digital intermediation services between third parties

REQUIREMENTS	VAT	CIT
<b>Tax Regulations</b>	Governed mainly by Provincial Sales Tax Laws and regulations applicable to online marketplaces and digital intermediaries.	Governed by the Income Tax Ordinance, 2001 and Digital Platform Rules issued by FBR.
<b>Scope of regulations</b>	<p>Applies to digital platforms that facilitate transactions between third parties, including:</p> <ul style="list-style-type: none"> <li>• Online marketplaces (e-commerce platforms)</li> <li>• Ride-hailing platforms</li> <li>• Accommodation booking platforms</li> <li>• Freelancing and service marketplaces</li> </ul>	Income earned by digital platforms from Pakistani users or sellers may be subject to taxation depending on PE status or digital presence rules.
<b>Whithholding Tax Obligations</b>	Platforms facilitating services may be required to collect or report sales tax related to services provided through the platform, depending on provincial regulations.	Digital platforms may be required to withhold income tax on payments made to resident sellers or service providers under the Income Tax Ordinance, 2001.
<b>Digital Platform Taxation / Reporting</b>	Platforms may need to maintain transaction records of sellers and service providers operating through the platform.	<p>Under Digital Platform Rules, platforms facilitating transactions involving Pakistani users may be required to:</p> <ul style="list-style-type: none"> <li>• Provide periodic transaction data to FBR</li> <li>• Report income earned by sellers using the platform</li> <li>• Facilitate tax compliance of digital sellers.</li> </ul>
<b>Disclosure Reports</b>	Platforms may be required to submit information regarding sellers, services and transaction values to provincial tax authorities.	Platforms must submit transaction and seller information to FBR, even if they only act as intermediaries and do not receive full consideration directly.



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# PERÚ

## Perú - Taxation of Digital Services Provided by Non-Domiciled Entities

Income Tax	Income Tax Law (LIR) - Regulations of the Income Tax Law (RLIR)	Decreto Supremo N° 179-2004-EF
Concepts	Definitions and Scope of the Applicable Legislation	Reference to the Legislation
<b>Non-domiciled</b>	Non-domiciled taxpayers in Peru, branches, agencies or other permanent establishments, and entities of any nature incorporated abroad are subject to Income Tax only on Peruvian-source income.	Art 6 LIR
<b>Peruvian - source income</b>	Peruvian-source income includes income derived from digital services rendered through the Internet or through any application, platform or technology used over the Internet or any other network through which equivalent services are provided, when the service is economically used, exploited or consumed within the country.	Art 9, Inc i LIR
<b>Definition of Digital Services</b>	Any service made available to the user through the Internet or through any application, platform or technology used over the Internet or any other network through which equivalent services are provided, accessed online, and characterized as being "essentially automatic" and not viable in the absence of information technology.	Art 4-A, Inc b Reglmtto LIR
<b>Digital Services</b>	Software maintenance; Online customer technical support; Data Warehousing; Application Hosting; Application Service Provider -ASP; Web Site Hosting; Electronic access to consulting services; Banner ADS; Online auctions; Information distribution; Access to interactive Internet pages; Interactive training; Online portals for buying and selling	Art 4-A, Inc b Reglmtto LIR
<b>Are not considered Digital Services</b>	<ol style="list-style-type: none"> <li>1. Online technical support where inquiries are addressed by technicians via email.</li> <li>2. Professional consulting services rendered in person, by telephone, or through videoconference, even if the final report is delivered by email.</li> </ol> <p>This is because such services are not automatic nor exclusively dependent on technology, as they require substantial human intervention, with information technology used merely as a communication channel.</p>	Informe N° 046-2025-Sunat

General Sales Taxes (IGV)	IGV	Decreto Supremo N° 055-99-EF
<b>Non-domiciled</b>	The provision of services by a non-domiciled entity to a Peruvian-domiciled entity is subject to VAT (IGV) provided that the service is consumed or used within the national territory.	Art 1, Inc b Art 3, Inc c, Num 1
<b>Taxpayers</b>	The Peruvian entity using the service must pay the VAT in its capacity as taxpayer. In other words, the non-domiciled entity is not considered the taxpayer for VAT purposes.	Art 9, Inc c
<b>Determination of the IGV</b>	The taxable base is constituted by the total consideration paid by the Peruvian user for the service. The 18% rate is applied to this taxable base.	
<b>IGV Taxation of Digital Services and importation of Intangible Assets</b>	The use within the country of digital services and the importation of intangibles through the Internet by individuals who do not carry out business activities is subject to VAT (IGV). Such services are deemed to be consumed or used within the national territory if the user has habitual residence in the country.	Art 3, Inc c Num1 Inc g
<b>User's residence</b>	<ol style="list-style-type: none"> <li>1. The IP address assigned to the electronic device through which the digital services are provided or the intangible asset is downloaded corresponds to Peru.</li> <li>2. The country code of the SIM card of the mobile terminal through which the digital services are provided or the intangible asset is downloaded corresponds to Peru.</li> <li>3. The payment for the digital services or the importation of intangible assets is made using a credit or debit card issued by entities of the Peruvian financial system.</li> <li>4. The domicile registered by the individual with the digital service provider or with the supplier of the intangible assets is located in Peru.</li> </ol>	Art 3, Inc c Num1 Inc g
<b>Definition of Digital Services</b>	Any service made available to the user through the Internet or through any application, platform or technology used over the Internet or any other network through which equivalent services are provided, accessed online, and characterized as being "essentially automatic" and not viable in the absence of information technology. Among them: streaming services (Netflix, Spotify, Amazon Prime, YouTube, etc.); digital advertising; online intermediation (Airbnb, Uber, etc.); remote conferencing (Zoom); cloud storage (Dropbox, iCloud); access to social networks and additional features (LinkedIn, Tinder).	Art 3, Inc h
<b>Intangible Assets</b>	Those acquired to be definitively downloaded through the Internet or through any application, platform or technology used over the Internet.	Art 3, Inc i

**Tax Collection**

1. Withholding scheme by the non-domiciled provider: The non-domiciled provider acts as a withholding agent by registering on a platform provided by SUNAT in order to obtain a Tax Identification Number (RUC), file returns and pay the tax. In cases where intermediation exists, the non-domiciled entity acting as intermediary shall collect the VAT (IGV) payable by the user and subsequently act as withholding agent for the tax payable by the underlying service provider or seller in the transaction.
2. Withholding scheme through financial entities: If the non-domiciled provider does not register on the platform provided by SUNAT and obtain a RUC, does not file the return, or does not pay the VAT (IGV), the tax shall be collected and/or withheld through financial entities acting as payment facilitators.



# POLAND

## A) Rendering of digital services by foreign residents without an establishment in Poland

REQUIREMENTS	VAT	CIT
<b>Scope of services included on the taxation rules</b>	<p>Services which are delivered over the Internet or an electronic network and the nature of which renders their supply essentially automated and involving minimal human intervention, and impossible to ensure in the absence of information technology, in particular:</p> <ul style="list-style-type: none"> <li>• the supply of digitised products generally, including software and changes to or upgrades of software;</li> <li>• services providing or supporting a business or personal presence on an electronic network such as a website or a webpage;</li> <li>• services automatically generated from a computer via the Internet or an electronic network, in response to specific data input by the recipient;</li> </ul>	No specific regulations.
<b>Tax Regulations</b>	Article 7 of the Council Implementing Regulation (EU) No 282/2011	
<b>Identification of Local clients (source of income)</b>	<p>For example:</p> <ul style="list-style-type: none"> <li>• place of installation of the fixed land line,</li> <li>• the mobile country code of the SIM card,</li> <li>• the place where that decoder or similar device is located.</li> </ul>	
<b>Tax ID required</b>	The Polish tax ID may be required. Simplified procedures (e.g. OSS) may be applicable if certain conditions are met.	
<b>Tax Compliance</b>	Monthly VAT returns (SAF-T file)	
<b>Legal Representation</b>	Fiscal representative may be required for non-EU businesses.	
<b>Digital Platforms as a Permanent Establishment</b>	No	
<b>Sanctions and penalties</b>	Penal fiscal responsibility, penalty interest.	

**B) Digital intermediation services between third parties**

REQUIREMENTS	VAT	CIT
<b>Tax Regulations</b>	No specific regulations unless for example the services qualify as electronically supplied services.	No specific regulations.
<b>Scope of regulations</b>	No specific regulations unless for example the services qualify as electronically supplied services.	
<b>Whitholding Tax Obligations</b>	No	
<b>Disclosure Reports</b>	No specific regulations.	

Please note that the table has been prepared at an initial and general level. Given the complexity of the matter and the number of potential specific cases and exceptions, it is not possible to fully reflect all scenarios within the table format.



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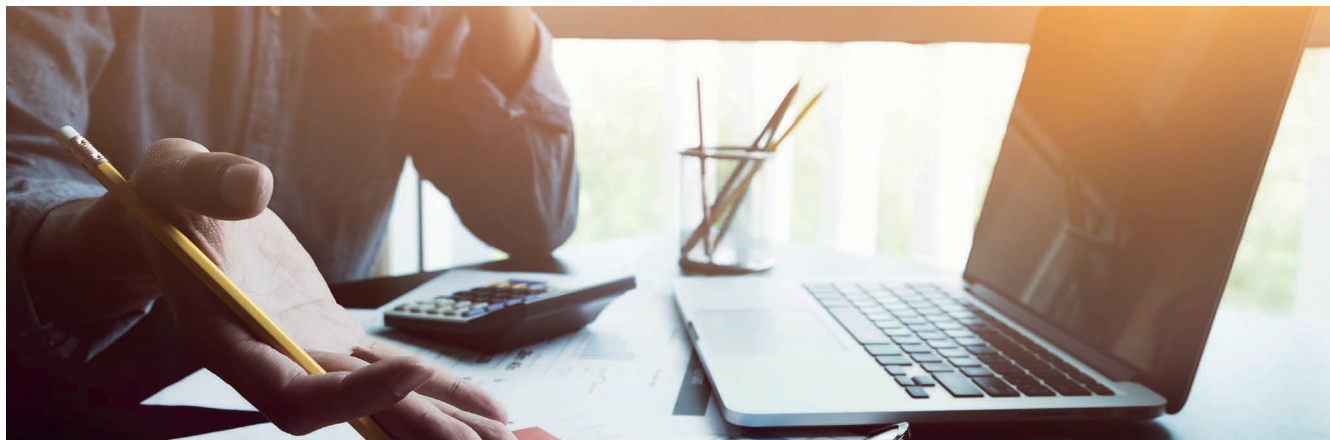
# PORTUGAL

## A) Rendering of digital services by foreign residents without an establishment in Portugal

REQUIREMENTS	VAT	CIT
<b>Scope of services included on the taxation rules</b>	No Digital Service Tax is in force in Portugal. However, digital services provided by foreign entities may be taxed under the general VAT rules depending on the location of the purchase and on the service itself. This excludes the provision of telecommunications, radio or television broadcasting, and electronic services.	There is no tax on digital services in force in Portugal. However, digital services provided by foreign entities may be considered as located in Portugal (if there is a permanent establishment in Portugal) and, therefore, taxed under the general rules of corporate income tax.
<b>Tax Regulations</b>	VAT Code	CIT Code
<b>Identification of Local clients (source of income)</b>	For VAT purposes, the place of taxation for digital services supplied to non-taxable persons (B2C) is the Member State where the customer is established or resides; in B2B transactions, it is considered to be located at the acquirer's headquarters	Foreign companies are subject to CIT when income is attributable to a permanent establishment located in Portugal
<b>Tax ID required</b>	Foreign digital service providers supplying services to Portuguese consumers must register for VAT in the EU or use the One-Stop Shop (OSS) regime, which allows suppliers to report and pay VAT for all EU Member States through a single registration	When the transaction is located in Portugal for VAT purposes, it is necessary to request a Portuguese tax identification number
<b>Tax Compliance</b>	Foreign providers must: i) charge Portuguese VAT (generally 23% in mainland Portugal), ii) submit periodic VAT returns through the OSS regime or local VAT registration, and iii) comply with invoicing and reporting obligations	Foreign companies without permanent establishment have no corporate tax obligations (as annual CIT returns)
<b>Legal Representation</b>	Non-EU entities registering for VAT purposes in Portugal may be required to appoint a fiscal representative established in Portugal	Non-resident companies operating in Portugal don't have to appoint a tax representative when they do not have an establishment in Portugal
<b>Digital Platforms as a Permanent Establishment</b>	For VAT purposes, a fixed establishment may exist when the business has sufficient human and technical resources in Portugal to supply services	A digital platform may constitute a permanent establishment in Portugal if the foreign entity maintains a fixed place of business, infrastructure, or dependent agents through which the business is wholly or partly carried on
<b>Sanctions and penalties</b>	Failure to comply with tax obligations may result in penalties and late-payment interest	Failure to comply with tax obligations may result in penalties and late-payment interest

**B) Digital intermediation services between third parties**

REQUIREMENTS	VAT	CIT
<b>Tax Regulations</b>	Portugal has implemented the EU DAC7 Directive, which imposes reporting obligations on digital platform operators facilitating transactions between sellers and users. Platforms must collect and report information regarding sellers operating through their platforms	Income derived from digital intermediation services is subject to CIT when attributable to a permanent establishment in Portugal
<b>Scope of regulations</b>	Digital platforms facilitating transactions between users are subject to EU reporting obligations under DAC7. These rules apply to platforms facilitating sale of goods, provision of services, rental of immovable property, rental of means of transport	Digital platforms facilitating transactions between users are subject to EU reporting obligations under DAC7. These rules apply to platforms facilitating: sale of goods; provision of services; rental of immovable property; rental of means of transport
<b>Whitholding Tax Obligations</b>	Non applicable	Portugal generally does not impose withholding tax on digital intermediation services
<b>Disclousure Reports</b>	Digital platform operators must report annually to the Portuguese Tax Authorities information concerning sellers operating through their platforms	



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# SINGAPORE

## A) Rendering of digital services by foreign residents without an establishment in Singapore

REQUIREMENTS	VAT	CIT
<b>Scope of services included on the taxation rules</b>	<p><b>Overseas Vendor Registration (OVR) Regime</b></p> <p>To level the playing field between local and foreign suppliers, Singapore requires foreign digital service providers (i.e. vendors with no Singapore establishment) to register and collect GST on B2C digital services sold to customers in Singapore under the Overseas Vendor Registration (OVR) regime.</p> <p>Key points:</p> <p>Who triggers GST obligations?</p> <p>A non-resident supplier (i.e. digital platform/provider) must register for GST if both these thresholds are met in a 12-month period:</p> <p>Annual global turnover &gt; S\$1 million</p> <p>Sales to Singapore customers (B2C) &gt; S\$100,000</p> <p>Once registered, the vendor must charge GST (9%) on digital services sold to non-GST registered Singapore customers.</p> <p>What counts as digital/remote services?</p> <p>Digital/remote services include automated electronic services such as SaaS, apps, streaming, online content, software, gaming, and other internet-based services consumed without respect to physical location.</p> <p>Marketplace/platform operators can be treated as the supplier responsible for collecting GST on third-party sales depending on contractual and operational roles. B2B (Business-to-Business) imports: GST is typically handled under a reverse charge mechanism where GST-registered Singapore businesses account for the tax themselves when importing services from an overseas vendor.</p>	<p>No Digital Service Tax is in force in Mexico</p>
<b>Tax Regulations</b>	<p>Singapore Income Tax Act / Singapore Good &amp; Service Tax Act</p>	
<b>Identification of Local clients (source of income)</b>	<ul style="list-style-type: none"> <li>• Client declares a local agent address</li> <li>• Client pays direct via telegraphic transfers</li> </ul>	
<b>Tax ID required</b>	<p>Yes, Foreign provider must get GST Registration Number under Overseas Vendor Registry window.</p>	
<b>Tax Compliance</b>	<p>Calculating GST and Filing monthly/quarterly GST return.</p>	

<b>Legal Representation</b>	Tax Agent based in Singapore	
<b>Digital Platforms as a Permanent Establishment</b>	NO	
<b>Sanctions and penalties</b>	Failure on duly payment of collected GST leads to penalties and surcharges. Failure on getting GST Registration number, local Tax Agent appointment.	

#### B) Digital intermediation services between third parties

REQUIREMENTS	VAT	CIT
<b>Tax Regulations</b>	Not Applicable [N/A]	
<b>Scope of regulations</b>	Not Applicable [N/A]	
<b>Whitholding Tax Obligations</b>	Not Applicable [N/A]	
<b>Disclousure Reports</b>	Not Applicable [N/A]	



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## SPAIN

### A) Rendering of digital services by foreign residents without an establishment in Spain

REQUIREMENTS	VAT	CIT
<b>Scope of services included on the taxation rules</b>	<p>Services provided through digital platforms by foreign residents qualify as “Electronically Supplied Services” (“ESS”). Electronically supplied services means services that are necessarily intangible and are performed entirely by digital means through automated processes involving only minimal or merely residual human intervention, and whose provision would not be possible without the technological infrastructure that enables them. This category includes, inter alia, video-on-demand services, the supply of digital books, the provision of photographs in electronic format, automated intermediation services for making reservations, and similar services.</p> <p>Since VAT is a harmonised tax within the European Union, ESS are subject to the destination principle. Under this principle, VAT must be paid in the Member State in which the customer is established, resides, or is located, irrespective of the place where the supplier is established. Consequently, foreign platforms supplying such services to final customers in Spain are required to declare and pay VAT in Spain.</p> <p>To facilitate compliance with these obligations, the European Union provides a voluntary special scheme known as the One Stop Shop (“OSS”). This scheme enables foreign taxpayers supplying ESS to final customers within the EU to fulfil their VAT obligations through a single electronic portal in the Member State of their choice.</p>	<p>Foreign digital platforms supplying ESS to customers in Spain are not subject to Spanish Corporate Income Tax unless they operate through a Permanent Establishment (“PE”) in Spain. Under Spanish law, a PE requires a fixed place of business, such as offices, branches, warehouses, or other facilities, or through a dependent agent with authority to conclude contracts habitually in Spain; the mere presence of customers does not meet these criteria.</p>
<b>Tax Regulations</b>	<p>Spanish VAT Act (LIVA), Articles 69.Uno and 70.Uno.4º and 8º.</p> <p>EU VAT Directive 2006/112/EC (place-of-supply rules for services, including ESS).</p> <p>EU Implementing Regulation (EU) No 282/2011 (presumptions, rebuttal and evidence for customer location; rules applicable to electronically supplied services).</p>	
<b>Identification of Local clients (source of income)</b>	<p>IP address</p> <p>Device geolocation</p> <p>Billing address of the means of payment</p> <p>Country of the issuing bank / IBAN country</p> <p>Country associated with the telephone number provided by the customer</p> <p>Customer contractual information</p>	

<b>Tax ID required</b>	<p>Depends: If foreign platforms opt to fulfil their VAT obligations directly in Spain, they must obtain a Spanish Tax Identification Number "Número de Identificación Fiscal" ("NIF") before carrying out any taxable activity in Spain.</p> <p>If the foreign platform opts for the OSS regime, it shall obtain the Tax Identification Number in the Member State of identification, since all VAT obligations related to ESS in the EU are fulfilled in that Member State. If Spain is chosen as the Member State of identification, then the platform must obtain a Spanish NIF.</p>	
<b>Tax Compliance</b>	<p><b>VAT Rates applicable</b> Foreign platforms supplying ESS to final customers located in Spain must apply the Spanish VAT rate of 21%. Only electronic books qualify for the reduced VAT rate of 4%.</p> <p><b>VAT Compliance - OSS Regime</b> When the platform uses the OSS, VAT returns must be filed quarterly through the OSS portal of the Member State of identification. VAT payments are made exclusively through that Member State, which forwards the corresponding VAT to Spain. Invoicing obligations follow the rules of the Member State of identification.</p> <p><b>VAT Compliance - Direct Filing in Spain</b> If the platform opts to fulfil VAT obligations directly in Spain, VAT returns must be filed quarterly, or monthly when legally applicable. VAT payments are made directly to the Spanish Tax Agency ("AEAT"). Invoicing must comply with the Spanish VAT Invoicing Regulation when invoice issuance is mandatory or requested by the customer.</p>	
<b>Legal Representation</b>	<p>If the foreign platform opts for direct VAT compliance in Spain and is established outside the EU, or if it chooses Spain as the Member State of identification in the OSS regime, it must appoint a VAT fiscal representative in Spain. If the platform opts for the OSS and the Member State of identification is another EU Member State, no legal representative in Spain is required.</p>	
<b>Digital Platforms as a Permanent Establishment</b>	<p>A foreign digital platform is not considered to have a permanent establishment (PE) in Spain solely because it has customers located in Spain. A PE requires a fixed place of business or dependent personnel in Spain, which mere customer presence does not create.</p>	
<b>Sanctions and penalties</b>	<p>Failure to remit VAT or to submit VAT returns on time triggers tax surcharges, late-payment interest and administrative penalties under the Spanish VAT regime. Non-compliance with formal obligations applicable to non-established suppliers, such as failure to appoint a fiscal representative when required, deficiencies in invoicing obligations, or breaches of OSS reporting duties, may result in significant financial penalties and enforcement measures by the AEAT.</p>	

## B) Digital intermediation services between third parties

REQUIREMENTS	VAT	CIT
<b>Tax Regulations</b>	<p>Spanish VAT Act (LIVA) - Arts. 69-70 (place-of-supply rules).</p> <p>EU VAT Directive 2006/112/EC.</p> <p>EU Implementing Regulation (EU) 282/2011 - rules for intermediaries (Arts. 30-31), customer location, presumptions, proof requirements.</p> <p>DAC7 (Directive 2021/514) - due-diligence and reporting obligations for platform operators, implemented in Spain through RD 117/2024 and Order HAC/72/2024.</p>	
<b>Scope of regulations</b>	<p>When the platform provides digital intermediation services relating to ESS, it operates under the general rules applicable to electronically supplied services, acting strictly as an intermediary and not as the supplier for VAT purposes, unless it intervenes in its own name.</p> <p>However, when the platform facilitates the supply of goods, specific situations under EU rules may reclassify it as a deemed supplier. This occurs particularly where the platform facilitates intra-EU distance sales of goods made by non-EU sellers, or distance sales of imported goods with an intrinsic value not exceeding EUR 150. In these cases, the platform is treated as the supplier and becomes responsible for charging, declaring and paying the VAT on the full transaction. Outside these situations, the standard rules for intermediaries continue to apply.</p>	
<b>Whitholding Tax Obligations</b>	<p>services. However, platforms may collect VAT together with the price when processing payments on behalf of the supplier, even when the platform deducts its intermediation commission and transfers the remaining amount to the supplier. This collection does not constitute withholding: the VAT obligation toward the tax administration must always be fulfilled by the taxable person of the transaction, either the supplier or the platform when acting as the VAT-liable party .</p>	
<b>Disclosure Reports</b>	<p>Platforms operating within the EU, and therefore in Spain, are subject to Directive (EU) 2021/514 ("DAC7"), which imposes mandatory reporting and due-diligence obligations on digital platform operators. Under DAC7, platforms must collect, verify and annually report information on sellers who use the platform to sell goods, provide services or grant the temporary use or enjoyment of goods. In Spain, these reporting obligations are fulfilled through Model 238, in accordance with Royal Decree 117/2024 and Order HAC/72/2024, even when the platform does not process the consideration on behalf of the seller.</p>	



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# THAILAND

## A) Rendering of digital services by foreign residents without an establishment in Thailand

REQUIREMENTS	Expectations	VAT	CIT
<b>Scope of services included on the taxation rules</b>	Detail which services are taxed (e.g., streaming, downloads, e-learning, online dating)	<p>Services that qualify as “electronic services” under the Revenue Code Amendment Act (No. 53) B.E. 2564 (2021) are subject to VAT, including:</p> <ul style="list-style-type: none"> <li>• Online marketplace platforms for the sale of goods</li> <li>• Online advertising services or advertising space</li> <li>• Subscription-based services for streaming movies, music, games, and applications</li> <li>• Hotel, accommodation, and travel booking services</li> <li>• Intermediary services connecting buyers and sellers</li> </ul>	<p>As there is no permanent establishment in Thailand, a foreign company is not subject to CIT in Thailand</p>
<b>Tax Regulations</b>	Indicate the specific laws and articles governing these obligations (e.g., VAT Law)	<ul style="list-style-type: none"> <li>• The Revenue Code Amendment Act (No. 53) B.E. 2564 (2021)</li> <li>• Ministerial Regulation No. 377 (B.E. 2564) (2021) issued under the Revenue Code Re: the electronic proceedings of documents and evidence and VAT registration for business persons who have provided electronic services from abroad</li> </ul>	
<b>Identification of Local clients (source of income)</b>	How does the country identify the client as local? (e.g., IP address, phone prefix, declared address)	<ul style="list-style-type: none"> <li>• Payment information, such as credit card details or bank information used to pay for the service, including a credit card issued by a bank located in Thailand</li> <li>• The service user’s residential address in Thailand</li> <li>• Billing address (or address for receipt issuance) located in Thailand</li> <li>• Access information, such as an IP address or mobile country code of a SIM card indicating use in Thailand</li> </ul>	
<b>Tax ID required</b>	Must the foreigner obtain a local tax ID? Indicate deadlines and requirements	Service providers must register for VAT within 30 days after their annual revenue from electronic services, for non-VAT-registered customers in Thailand exceeds THB 1.8 million, through the VAT for Electronic Service (“VES”) system	
<b>Tax Compliance</b>	Applicable tax rate, filing frequency, and whether local electronic invoicing is required	<ul style="list-style-type: none"> <li>• Calculate VAT and file the monthly VAT return through the VES system between the 1st and 23rd day of the following tax month</li> <li>• File VAT return (Form P.P. 30.9) every month, regardless of whether any service income is received in that month</li> <li>• Apply VAT at the rate of 7% to the services</li> <li>• No requirement to issue tax invoices or prepare input tax reports</li> </ul>	

<b>Legal Representation</b>	Is it mandatory to appoint a resident representative and provide a local address for notifications?	There is no requirement to appoint a resident representative.	As there is no permanent establishment in Thailand, a foreign company is not subject to CIT in Thailand
<b>Digital Platforms as a Permanent Establishment</b>	Yes / No	Registration as a VAT registrant does not constitute the creation of a permanent establishment ("PE") in Thailand	
<b>Sanctions and penalties</b>	Consequences of non-compliance (e.g., fines, surcharges, or temporary platform blocking)	<p>Administrative Penalties</p> <ul style="list-style-type: none"> <li>• Failure to register for VAT: A fine of twice the tax payable for each month of non-compliance, or THB 1,000 per month, whichever is higher</li> <li>• Late filing of VAT returns: A fine of twice the tax payable for the relevant tax month</li> <li>• Filing an incorrect VAT return affecting the tax payable: A fine based on the amount of tax understated or affected</li> <li>• Failure to pay or remit tax on time: A surcharge of 1.5% of the unpaid tax per month (or part of a month), excluding fines</li> </ul> <p>Criminal Penalties</p> <ul style="list-style-type: none"> <li>• Failure to register for VAT: Imprisonment of up to 1 month, or a fine of up to THB 5,000, or both</li> <li>• Failure to file VAT returns: Imprisonment of up to 6 months, or a fine of up to THB 10,000, or both</li> </ul>	

## B) Digital intermediation services between third parties

REQUIREMENTS	Expectations	VAT	CIT
<b>Tax Regulations</b>	Detail if the platform must withhold a percentage of tax (VAT or Income Tax) from the sellers	<ul style="list-style-type: none"> <li>The Revenue Code Amendment Act (No. 53) B.E. 2564 (2021)</li> <li>Ministerial Regulation No. 377 (B.E. 2564) (2021) issued under the Revenue Code Re: the electronic proceedings of documents and evidence and VAT registration for business persons who have provided electronic services from abroad</li> </ul>	As there is no permanent establishment in Thailand, a foreign company is not subject to CIT in Thailand
<b>Scope of regulations</b>	State the legal deadline to provide withholding receipts to users (e.g., within 5 days of month-end)	The above two regulations apply to foreign service providers without a PE in Thailand who provide electronic services to non-VAT-registered customers in Thailand and earn more than THB 1.8 million per year from such services. Digital intermediation services between third parties are considered electronic services and are therefore subject to these regulations	
<b>Whithholding Tax Obligations</b>	Is there a specific legal status for "Withholding Agents" in the local tax registry?	Legal entities or individuals who provide digital services as intermediaries must withheld VAT at 7% and comply with the obligations set out in Item C11 above	
<b>Disclosure Reports</b>	What third-party transaction data must be reported to the authority monthly, even if no payment was collected?	Legal entities or individuals who provide digital services as intermediaries are required to report third-party transaction data and revenue received on behalf of business operators to the authority every month by filing a VAT return (Form P.P. 30.9), even if no payment was collected during that month	

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## THE NETHERLANDS

### A) Rendering of digital services by foreign residents without an establishment in The Netherlands

REQUIREMENTS	VAT	CIT
<b>Scope of services included on the taxation rules</b>	<p>The Netherlands follows EU VAT rules for Electronically Supplied Services (ESS), which include:</p> <ul style="list-style-type: none"> <li>• video/music streaming, downloads, digital content (apps, games, software updates)</li> <li>• Software-as-a-Service (SaaS)</li> <li>• cloud hosting</li> <li>• e-learning, online webinars and virtual cultural/educational events</li> <li>• online platforms providing automated digital services</li> </ul> <p>ESS are taxed where the consumer is located, based on EU VAT Directive 2006/112/EC and the Dutch VAT Act (Wet op de omzetbelasting 1968)</p>	<p>Digital presence alone does not create a Permanent Establishment (PE); a PE requires physical or human presence.</p>
<b>Tax Regulations</b>	<ul style="list-style-type: none"> <li>• Standard rate: 21%.</li> <li>• Digital services to EU consumers are taxed in the customer's country.</li> <li>• If total cross-border EU digital sales exceed €10,000 per year, VAT must be charged in the country of the consumer.</li> <li>• Businesses may use the One Stop Shop (OSS) system instead of registering in each EU country.</li> <li>• Non-EU suppliers may use the Non-Union OSS scheme.</li> </ul>	<p>No CIT obligation unless the supplier has a PE in the Netherlands.</p>
<b>Identification of Local clients (source of income)</b>	<p>To determine that a customer is based in the Netherlands, two non-contradictory pieces of evidence must be collected, such as:</p> <ul style="list-style-type: none"> <li>• Dutch billing address</li> <li>• Dutch payment instrument</li> <li>• IP address located in the Netherlands</li> <li>• Dutch telephone number (+31)</li> <li>• Bank/account location within NL</li> </ul>	<p>–</p>

<b>Tax ID required</b>	<p>A foreign supplier, EU established (but not in NL), must register for Dutch VAT only if:</p> <ul style="list-style-type: none"> <li>• the €10,000 EU-wide threshold is exceeded and OSS is not used, or</li> <li>• the supplier chooses direct Dutch VAT registration instead of OSS.</li> </ul> <p>A foreign supplier (non-EU) must register for Dutch VAT at the first from the very first sale to a Dutch customer. They may use the non-Union OSS-scheme in one of the member states.</p>	–
<b>Tax Compliance</b>	<ul style="list-style-type: none"> <li>• Standard VAT rate: 21%</li> <li>• Filing frequency: quarterly/monthly or through OSS</li> <li>• No mandatory e-invoicing for B2C digital services</li> <li>• EU ViDA reforms expected</li> </ul>	–
<b>Legal Representation</b>	<ul style="list-style-type: none"> <li>• Not required for EU suppliers</li> <li>• Not required for non-EU suppliers using OSS</li> </ul>	–
<b>Digital Platforms as a Permanent Establishment</b>	<ul style="list-style-type: none"> <li>• NO – purely digital activities do not create a PE</li> <li>• Physical staff or infrastructure in the Netherlands is required to create a PE</li> </ul>	NO – digital presence alone does not constitute a PE; physical/human presence is required.
<b>Sanctions and penalties</b>	<p>Late filing or incorrect VAT payment may lead to:</p> <ul style="list-style-type: none"> <li>• administrative fines</li> <li>• interest charges</li> <li>• enforcement actions by the Dutch Tax Authorities (Belastingdienst)</li> </ul>	

#### B) Digital intermediation services between third parties

REQUIREMENTS	VAT	CIT
<b>Tax Regulations</b>	<p>Platforms may fall under:</p> <ul style="list-style-type: none"> <li>• EU deemed-supplier rules (e.g., for certain consumer sales, distance sales)</li> <li>• DAC7 reporting rules, requiring platforms to report detailed seller information annually</li> </ul> <p>(Dutch implementation: Wet implementatie EU-Richtlijn gegevensuitwisseling digitale platformeconomie, BWBR0047722)</p>	No special Corporate Income Tax (CIT) regime applies. A PE is still required for taxation.

<b>Scope of regulations</b>	Platforms must comply with DAC7 Platforms must collect and report: <ul style="list-style-type: none"> <li>• seller identity</li> <li>• tax residency</li> <li>• transaction values</li> <li>• rental data</li> </ul>	–
<b>Whitholding Tax Obligations</b>	The Netherlands does not apply VAT withholding for platforms. Obligations arise only when the platform is treated as deemed supplier under EU VAT rules.	–
<b>Disclosure Reports</b>	Platforms must submit annual reports to the Dutch Tax Authorities, even if: <ul style="list-style-type: none"> <li>• no payment was collected, or</li> <li>• the seller made no sales during the period</li> </ul>	–



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# TUNISIA

## A) Rendering of digital services by foreign residents without an establishment in Tunisia

REQUIREMENTS	VAT	CIT
<p><b>Scope of services included on the taxation rules (SaaS subscriptions, Cloud services, Digital advertising, Online consulting, Platform co, IT support services)</b></p>	<p>If service is used in Tunisia:            B2B → Reverse charge (19%)            B2C → Potential VAT exposure            Source determination directly impacts VAT obligations.</p>	<p>If a foreign company provides digital services to Tunisian clients without a Permanent Establishment (PE) in Tunisia:</p> <ul style="list-style-type: none"> <li>Income is generally subject to Withholding Tax (WHT)</li> <li>Standard WHT rate: 15%</li> <li>May be reduced under applicable Double Tax Treaties</li> </ul> <p>Examples:</p> <ul style="list-style-type: none"> <li>SaaS subscriptions</li> <li>IT consulting performed remotely</li> <li>Digital marketing services</li> <li>Online training or advisory</li> </ul> <p>If a DTT exists between Tunisia and the provider's country of residence, reduced rates (e.g., 5%, 10%) may apply.</p>
<p><b>Tax Regulations</b></p>	<p>Tunisian Personal Income Tax and Corporate Tax Code            Tunisian VAT Code            Annual Finance Laws            Exchange Control Regulations            Applicable Double Tax Treaties</p>	
<p><b>Identification of Local clients (source of income)</b></p>	<p>Identification Criteria - Individual Clients (B2C)            For individuals, Tunisian source may be triggered if:            Customer is resident in Tunisia            Payment instrument issued in Tunisia            Billing address located in Tunisia            IP location indicates Tunisia (in digital models)            Marketing specifically targets Tunisia            Pricing in TND (Tunisian Dinar)            While enforcement is evolving, legal exposure exists.</p>	

Tax ID required	<table border="1"> <thead> <tr> <th>Situation</th> <th>Tax ID Required?</th> </tr> </thead> <tbody> <tr> <td>Remote SaaS to Tunisian company</td> <td>No</td> </tr> <tr> <td>Remote consulting (WHT applied)</td> <td>No</td> </tr> <tr> <td>Digital marketplace commission (no PE)</td> <td>No</td> </tr> <tr> <td>Local office or staff</td> <td>Yes</td> </tr> <tr> <td>Branch registration</td> <td>Yes</td> </tr> <tr> <td>VAT registration</td> <td>Yes</td> </tr> <tr> <td>Significant B2C local activity</td> <td>Likely</td> </tr> </tbody> </table>	Situation	Tax ID Required?	Remote SaaS to Tunisian company	No	Remote consulting (WHT applied)	No	Digital marketplace commission (no PE)	No	Local office or staff	Yes	Branch registration	Yes	VAT registration	Yes	Significant B2C local activity	Likely	
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	Branch registration	Yes																
VAT registration	Yes																	
Significant B2C local activity	Likely																	
Tax Compliance	<p>CIT: Only applies if PE or local entity exists</p> <p>WHT: Mandatory on gross payments to foreign providers; treaty relief possible</p> <p>VAT: Reverse charge for B2B; B2C exposure growing</p>																	
Legal Representation	<p>A local legal representative (Représentant Fiscal) becomes necessary if the foreign entity:</p> <ul style="list-style-type: none"> <li>A. Creates a Permanent Establishment (PE)</li> <li>Office, employees, or project presence in Tunisia</li> <li>Dependent commercial agent concluding contracts</li> <li>Local infrastructure supporting recurring business</li> </ul> <p>Responsibilities of the legal representative:</p> <ul style="list-style-type: none"> <li>Register the foreign entity with the Tunisian tax authorities</li> <li>Obtain a Tax ID (Matricule Fiscal)</li> <li>File corporate tax returns</li> <li>File VAT declarations</li> <li>Maintain local accounting records</li> </ul>																	
Digital Platforms as a Permanent Establishment	NO																	
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**B) Digital intermediation services between third parties**

REQUIREMENTS	VAT	CIT
<b>Tax Regulations</b>	Tunisian VAT Code, Articles 19-22.	Tunisian Tax Code, Articles 82-85
<b>Scope of regulations</b>	Digital intermediation services refer to platforms that facilitate transactions between two or more parties, such as: Marketplaces (goods or services) Booking platforms (travel, accommodation) Payment facilitators Commission-based service platforms	
<b>Whitholding Tax Obligations</b>	A. B2B Transactions Tunisian business clients (e.g., merchants using platform) VAT applies via reverse charge (19%) Foreign platform does not need to register for VAT if no PE exists B. B2C Transactions If services are supplied to Tunisian consumers: Potential VAT liability arises Tunisia does not yet require formal non-resident digital VAT registration Risk increases with volume, recurring payments, and TND pricing	
<b>Disclosure Reports</b>	Provide the Tax Administration Service with the information listed on article 18 on their customers who sell goods, provide services or grant the temporary use or enjoyment of goods, in whose operations they have acted as intermediaries, even if they have not collected the consideration and the corresponding value added tax	



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## UNITED KINGDOM

### A) Rendering of digital services by foreign residents without an establishment in the UK

REQUIREMENTS	Expectations	VAT	CIT
<b>Scope of services included on the taxation rules</b>	Detail which services are taxed (e.g., streaming, downloads, e-learning, online dating)		DST covers the revenues of internet search engines, social media services, and online marketplaces which derive value from UK users
<b>Tax Regulations</b>	Indicate the specific laws and articles governing these obligations (e.g., VAT Law)		FA 2020 Part 2 and <a href="https://www.gov.uk/hmrc-internal-manuals/digital-services-tax">https://www.gov.uk/hmrc-internal-manuals/digital-services-tax</a>
<b>Identification of Local clients (source of income)</b>	How does the country identify the client as local? (e.g., IP address, phone prefix, declared address)		The legislation defines a UK user as a user who it is reasonable to assume is either an individual normally located in the UK or, for businesses, established in the UK. Normally located is synonymous with the jurisdiction where the user lives in most cases. Established is intended to be a more flexible concept which allows the group to make a judgement where the user's place of business activity is carried out from based on the information it holds about the user.
<b>Tax ID required</b>	Must the foreigner obtain a local tax ID? Indicate deadlines and requirements		A single entity in the group, usually the ultimate parent entity, will be responsible for dealing with all aspects of administration relating to DST with HMRC. This entity is referred to in the legislation as the 'responsible member'. There is an obligation on the responsible member to notify HMRC once the group's digital services revenues from digital services activities exceed the worldwide and UK revenue thresholds. This notification must be made within 90 days of the end of the first DST accounting period in which the threshold conditions have been satisfied. The annual revenue thresholds are: £500m of worldwide revenue from the digital services activities; with £25m of these revenues attributable to UK users (UK digital services revenues).
<b>Tax Compliance</b>	Applicable tax rate, filing frequency, and whether local electronic invoicing is required		The responsible member is required to submit a DST return to HMRC within 12 months of the end of the first accounting period in which the threshold conditions have been met. Once the threshold conditions have been met the responsible member must continue to submit a return for each subsequent accounting period unless HMRC has given a direction that a return is not required. DST will normally apply at a rate of 2% on UK digital services revenues above the annual allowance. There will be an annual allowance on the first £25m of UK digital services revenues. The UK will introduce mandatory e-invoicing for all VAT invoices from 2029.

<b>Legal Representation</b>	Is it mandatory to appoint a resident representative and provide a local address for notifications?		The nominated company does not need to be a UK company, or have a previous registration with HMRC, although groups may decide it is most convenient to use such a company.
<b>Digital Platforms as a Permanent Establishment</b>	YES / No		A digital platform does not automatically create a UK permanent establishment, but it could if the group meets normal PE criteria, such as having a UK fixed place of business or a dependent agent, because PE is a separate concept from DST under UK tax law
<b>Sanctions and penalties</b>	Consequences of non-compliance (e.g., fines, surcharges, or temporary platform blocking)		Non-compliance with UK Digital Services Tax simply leads to financial consequences, specifically late-filing penalties and tax-related penalties, along with interest on unpaid DST, rather than any operational or technical sanctions.

#### B) Digital intermediation services between third parties

REQUIREMENTS	Expectations	VAT	CIT
<b>Tax Regulations</b>	Detail if the platform must withhold a percentage of tax (VAT or Income Tax) from the sellers		Platforms do not withhold VAT or income tax from sellers; DST is a 2% tax on the platform's own UK-user revenues, not a withholding regime.
<b>Scope of regulations</b>	State the legal deadline to provide withholding receipts to users (e.g., within 5 days of month-end)		N/A
<b>Whitholding Tax Obligations</b>	Is there a specific legal status for "Withholding Agents" in the local tax registry?		N/A
<b>Disclosure Reports</b>	What third-party transaction data must be reported to the authority monthly, even if no payment was collected?		Reporting obligations consist only of the DST return, filed by the platform's responsible member, not seller-level disclosures. The UK does not require monthly reporting of third-party transactions. Digital platform reporting rules require annual reporting of seller income and identity information, and this is unrelated to DST.



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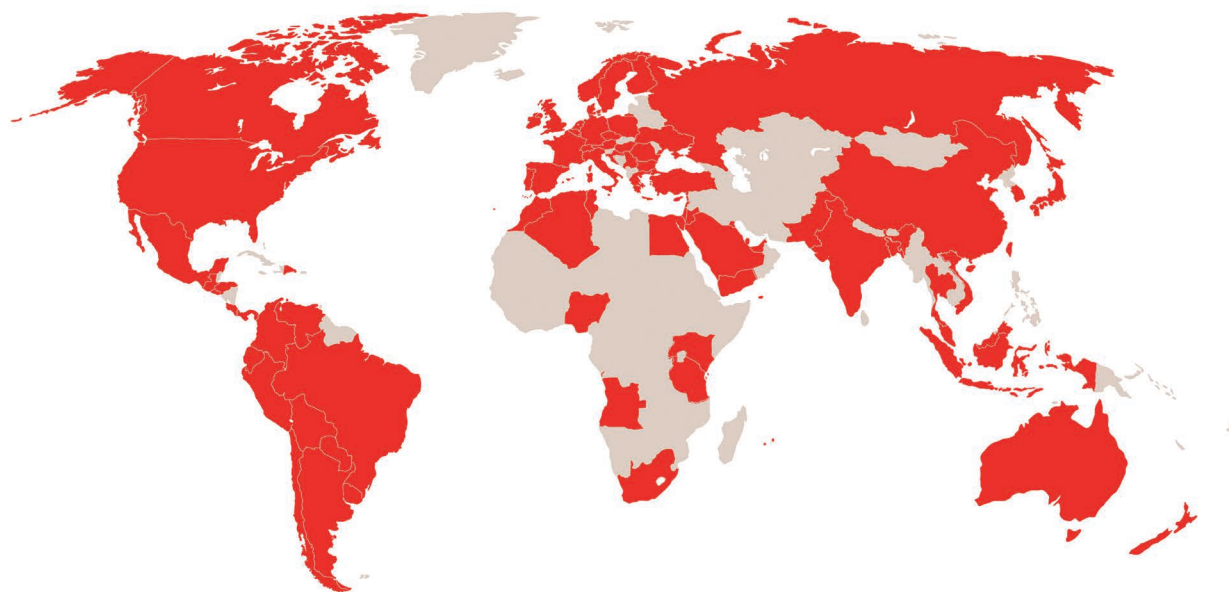
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INTERNATIONAL **COMPARISON**

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