

Commentary

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QUT**

**Assessing the Flaws in the 1920s
Compromise in the Times of the
Burgeoning Digital Economy and the
Great Lockdown**

Pandemic and containment



Phases in policy response



Focus of tax policy response

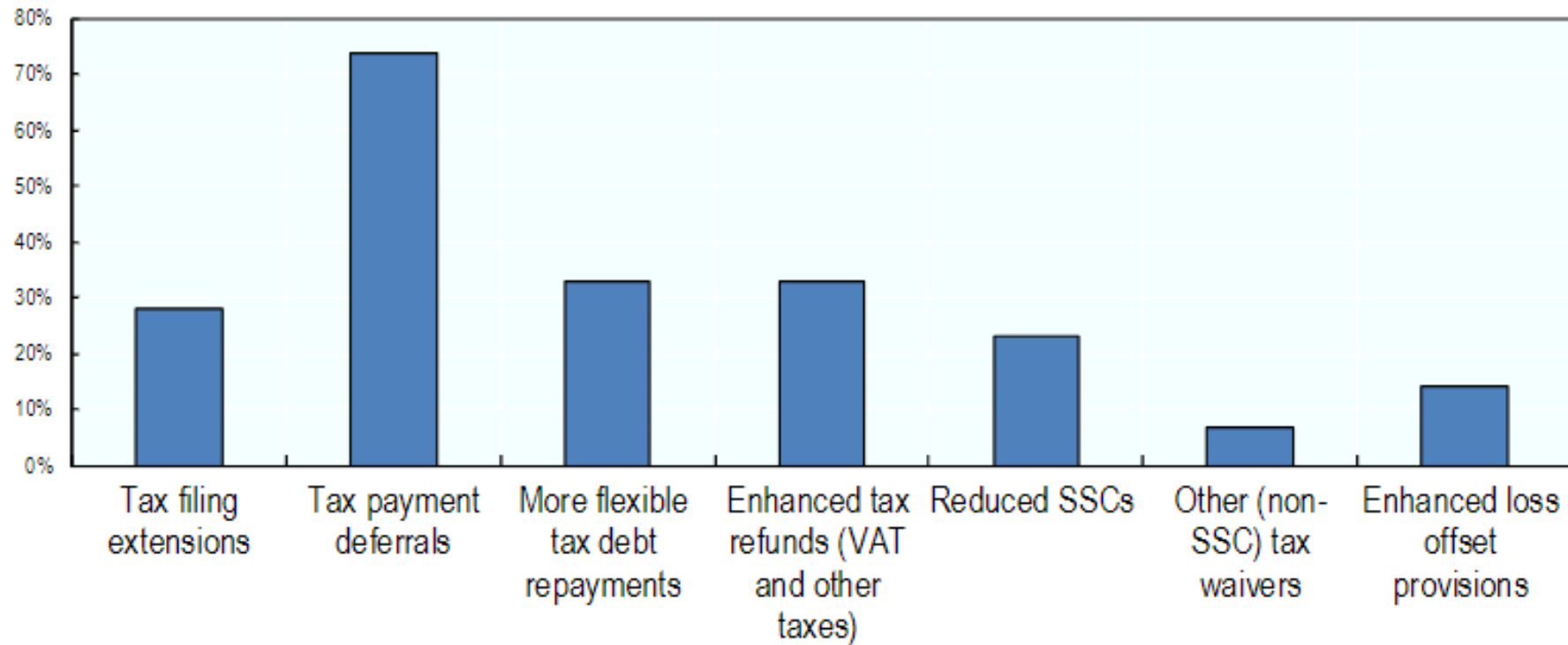


Source: OECD

Taxing the digital economy

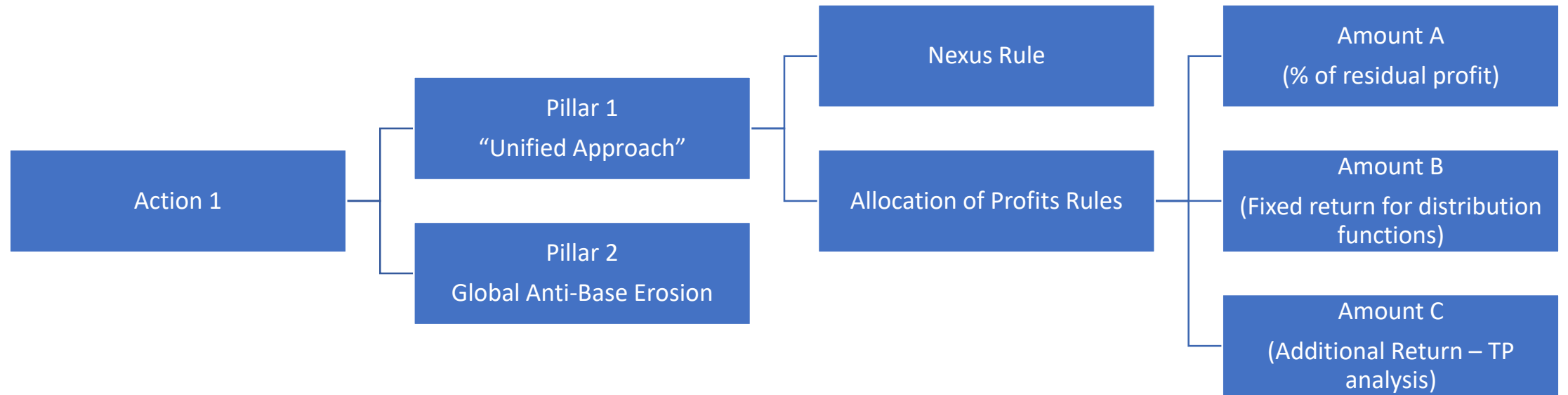
Policy Phases During and After the Pandemic

COVID-19 Responses: Percentage of OECD and G20 countries reporting each type of measure



Source: OECD Database on Tax Policy Responses to COVID-19.

OECD Proposal



What about
the 1930s
compromise?

PREVENTION OF
INTERNATIONAL
DOUBLE TAXATION
AND
FISCAL EVASION
—
TWO DECADES OF PROGRESS
UNDER
THE LEAGUE OF NATIONS
BY
MITCHELL B. CARROLL

LEAGUE OF NATIONS
GENEVA
1939

[Communicated to the Council
and the Members of the League.]

Official No. **C. 399. M. 204.** 1933. I.I.A.
[F./Fiscal. 76.]

Geneva, June 26th, 1933.

LEAGUE OF NATIONS

FISCAL COMMITTEE

**REPORT TO THE COUNCIL ON THE FOURTH SESSION
OF THE COMMITTEE**

Held at Geneva from June 15th to 26th, 1933.

INTRODUCTION.

The Fiscal Committee has the honour to submit to the Council the following report on its fourth session held at Geneva from June 15th to 26th, 1933.

The following members of the Committee were present :

M. HANS BLAU, *Chairman*,
M. GINO BOLAFFI,
M. MARCEL BORDUGE,
Professor HERBERT DORN,
M. J. H. R. SINNINGHE DAMSTÉ,
Sir Percy THOMPSON, K.B.E., C.B.

Representing the International Chamber of Commerce:

M. ROBERT JULLIARD.

Several members — namely, M. CHARLES CLAVIER, Professor FLORES DE LEMUS, and M. GEORGE MANTZAVINOS — being retained in London for the Monetary and Economic Conference, were unable to attend the Committee's session.

The Committee had before it the results of the enquiry undertaken three years ago, with the help of a grant from the Rockefeller Foundation, into the problem of the apportionment of profits of concerns operating in several countries. It examined the important documentation submitted by Mr. MITCHELL B. CARROLL, and discussed the draft Convention prepared by the Sub-Committee on Allocation at the session which it held in New York and Washington from March 17th to 30th, 1933, at the invitation of the American Section of the International Chamber of Commerce.

The Committee learned with gratitude of the further grant of \$50,000 which was offered by the Rockefeller Foundation on the initiative of the late Professor ADAMS, and accepted by the Council on May 22nd, 1933. This grant, which is available for a further period of three years, from July 1st, 1933, to June 30th, 1936, should enable the Committee to complete the task undertaken.

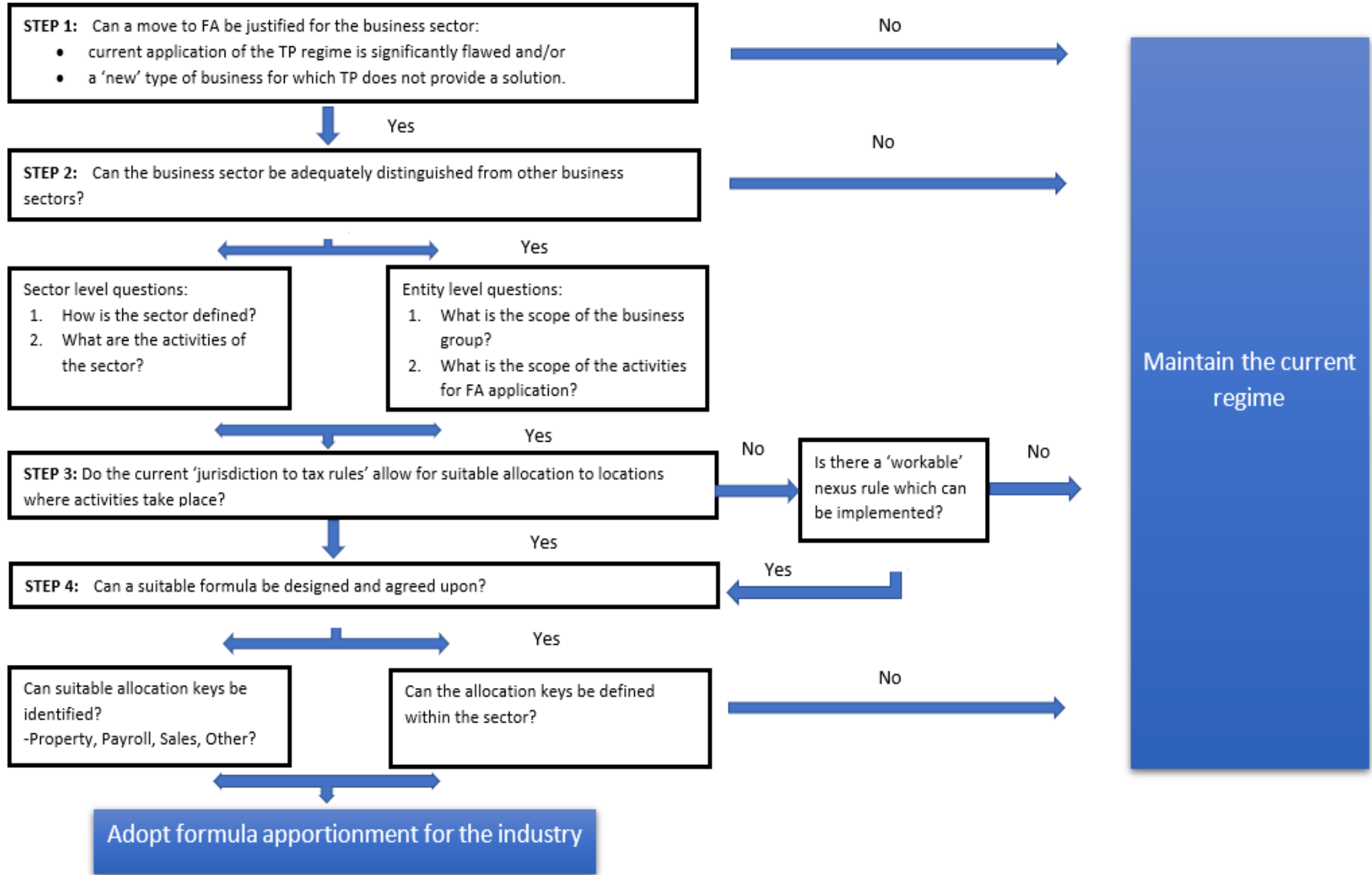
I.

ENQUIRY INTO THE APPORTIONMENT OF PROFITS.

Mr. CARROLL reported to the Committee on the enquiry which he had conducted in a large number of countries on the lines indicated in the Committee's previous report. He personally visited twenty-seven countries, in order to study their legislation on the spot and to collaborate with the experts responsible for making special reports on each country. In other countries, the corresponding members of the Committee drew up reports on the basis of a questionnaire prepared for their guidance. With their help, and the valuable assistance afforded to Mr. CARROLL by the International Chamber of Commerce and its national committees, the survey was successfully completed.

In consequence of this enquiry, twenty-seven reports have been drawn up on legislation and practice in connection with the taxation of foreign and national enterprises. A special study has been made of the accounting aspects of the problem. Information has also been received from various countries on which reports have not been prepared. The five reports submitted to the Committee at its previous session have since been published; the others will appear shortly.

FORMULARY APPORTIONMENT





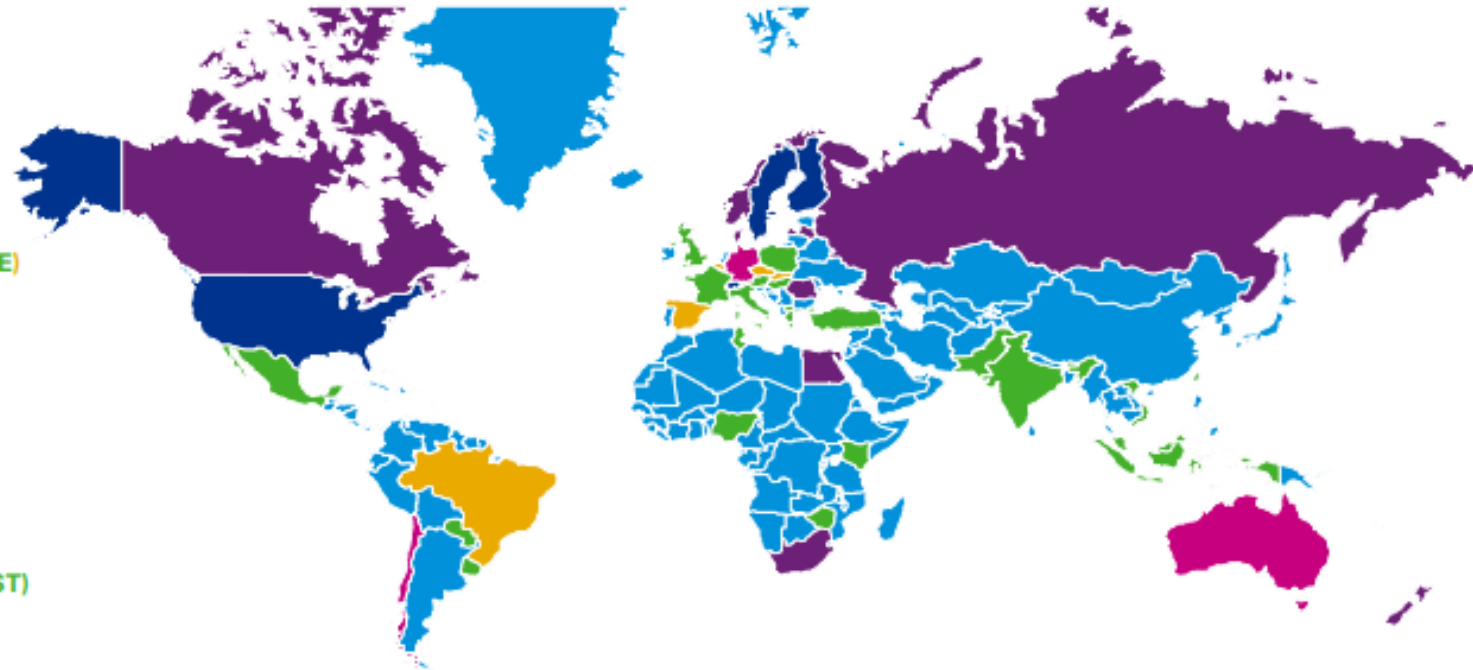
VALUE CREATION AND USER PARTICIPATION



Unilateral Moves (as at 18 August 2020):

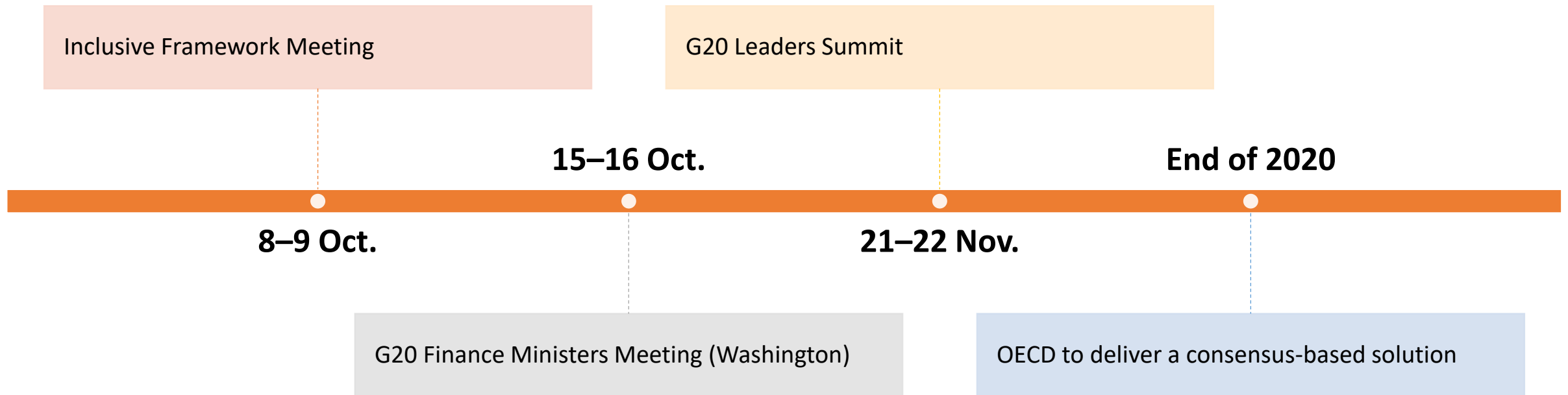
Direct Taxes (e.g., DST/WHT/Digital PE)

- | | |
|-----------------------------------|------------------------------|
| 1. Australia | 27. Pakistan |
| 2. Austria | 28. Paraguay |
| 3. Belgium (DST/PE) | 29. Poland |
| 4. Brazil | 30. Romania |
| 5. Canada | 31. Russia |
| 6. Chile | 32. Singapore |
| 7. Costa Rica | 33. Slovakia (DST/PE) |
| 8. Czech Republic | 34. South Africa |
| 9. Denmark | 35. Spain |
| 10. Egypt | 36. Sweden |
| 11. Finland | 37. Switzerland |
| 12. France | 38. Taiwan |
| 13. Germany (WHT) | 39. Thailand |
| 14. Greece | 40. Tunisia |
| 15. Hungary | 41. Turkey (WHT/DST) |
| 16. India (Eq. Tax/WHT/PE) | 42. United Kingdom |
| 17. Indonesia | 43. United States |
| 18. Israel (DST/PE) | 44. Uruguay |
| 19. Italy | 45. Vietnam |
| 20. Kenya | 46. Zimbabwe |
| 21. Latvia | |
| 22. Malaysia | |
| 23. Mexico | |
| 24. New Zealand | |
| 25. Nigeria | |
| 26. Norway | |



Source: KPMG - <https://tax.kpmg.us/content/dam/tax/en/pdfs/2020/digitalized-economy-taxation-developments-summary.pdf>

Next in 2020 for the digital economy?



THANK YOU

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