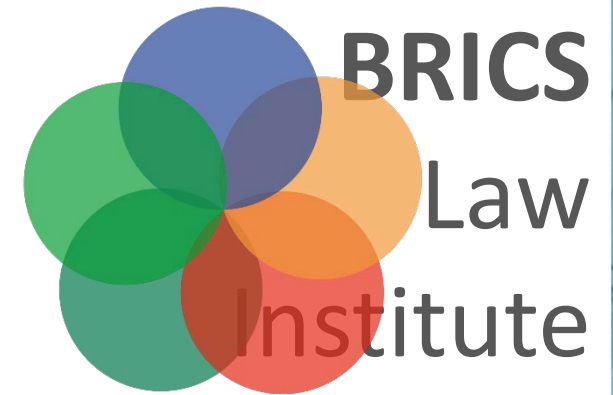


Cross-border taxation in the EAEU, BRICS and OECD (practical problems and comparative legal analysis)

Discussion on a permanent establishment in the Digital Economy



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Agenda



I. Permanent establishments: Basic information

1. Definition
2. Types

II. Digital permanent establishment

1. Questions to discuss

III. Development of permanent establishment regulation

I. Permanent establishments: Basic information



1. Definition

The term “permanent establishment” means a fixed place of business through which the business of an enterprise is wholly or partly carried on. (Article 5 of OECD and UN Model Conventions)

2. Types:

- Fixed place of business PE;
- Agency PE;
- Construction site PE;
- Service PE;
- Digital PE.

II. Digital permanent establishment



Questions to discuss (based on “Tax Challenges Arising from Digitalisation – Interim Report 2018” and European Commission proposal on fair taxation of the digital economy (dated March, 21 2018)):

1. Move from “physical presence” to “economic presence” or their combination?
2. How “fixed” should the “economic presence” be?
3. New round of “base erosion and profit shifting”?

III. Development of permanent establishment



VPN* Economy and “Preventing the Digital Avoidance of Permanent Establishment Status”?

**Virtual Private Network*



OECD/G20 Base Erosion and Profit Shifting Project

Preventing the Artificial Avoidance of Permanent Establishment Status

ACTION 7: 2015 Final Report

