

# **Digital VAT/GST rules around the world**

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**Taxamo**

NOTE: The currency conversions used in this document are for indicative purposes only, and should only be used as a guide.

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# Digital VAT/GST rules around the world

The following tax jurisdictions have been selected for analysis in this document:

- > Albania
- > Argentina
- > Australia
- > Bahrain
- > Bangladesh
- > Belarus
- > Chile
- > Colombia
- > European Union (E.U.)
- > Iceland
- > India
- > Japan
- > Malaysia
- > Mexico
- > New Zealand
- > Norway
- > Québec, Canada
- > Russia
- > Saudi Arabia
- > Serbia
- > Singapore
- > South Africa
- > South Korea
- > Swiss Territory
- > Taiwan
- > Turkey
- > United Arab Emirates (UAE)
- > Uruguay



Date of introduction: January 1, 2015



Value Added Tax (VAT) rate: 20%

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### Impact of rules on merchant

#### Definition of affected services

The Albanian Tax Authority's definition of affected digital services closely mirrors the definitions of the European Union (E.U.) such as:

#### Radio and television broadcasting services:

- > The supply of audio and audio-visual content for simultaneous listening or viewing by the general public on the basis of a programme schedule by a person that has editorial responsibility
- > Live streaming via the internet if broadcast at the same time as transmission via radio or television

#### Telecommunications services:

- > Fixed and mobile telephone services for the transmission and switching of voice, data and video, including telephone services with an imaging component, otherwise known as videophone services
- > Telephone services provided through the internet, including Voice over Internet Protocol (VoIP)
- > Voicemail, call waiting, call forwarding, caller identification, three-way calling and other call management services
- > Paging services
- > Access to the internet

#### Electronically supplied services:

- > Supplies of images or text, such as photos, screensavers, e-books and other digitised documents, for example, PDF files
- > Supplies of music, films and games, including games of chance and gambling games, and programmes on demand
- > Online magazines
- > Website supply or web hosting services
- > Distance maintenance of programmes and equipment
- > Supplies of software and software updates
- > Advertising space on a website

#### Further information

The following link provides more detailed information on the rules in question:

[www.tatime.gov.al/eng/](http://www.tatime.gov.al/eng/)

<b>Threshold</b>	No threshold to registration.
<b>Filing frequency/ deadline</b>	Generally, monthly - 14 days after the end of the tax period.
<b>Invoicing</b>	<p>General Albanian invoicing rules apply, this means that all invoices must be issued in the Albanian language.</p> <p>Taxpayers may obtain from the General Tax Director an authorization to use computerized invoices (instead of the pre-printed invoice filled in by handwriting) if the taxpayers show that their computerized system is able to generate invoices with a unique serial number, irrespective of the number of invoices issued during a particular month.</p> <p>Note that only taxpayers (or their tax representative) registered with the Albanian tax authorities may file a tax return and details of this agent also need to be on the invoice.</p>
<b>Currency payment</b>	Albanian VAT must be paid in local currency, the Albanian Lek (ALL).
<b>FX conversion</b>	According to Albania's VAT legislation, transactions in foreign currencies should be converted using the official FX rate provided by the Bank of Albania (BoA).
<b>FX settlement rate</b>	The rate of the previous day could be used to calculate the VAT obligation for each transaction until the new rate is available.
<b>B2B validation available</b>	No
<b>Data storage</b>	10 years



Date of introduction: February 1, 2018



Value Added Tax (VAT) rate: 21%

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### Impact of rules on merchant

#### Definition of affected services

##### Electronically supplied services:

Argentina's Regulatory Decree number 354/2018 established a VAT on digital services from February 1, 2018. A VAT collection mechanism was then implemented under Resolution 4240. This collection mechanism came into effect on June 27, 2018.

These services include (please note that this list is not exhaustive):

- > Internet and website services
- > Remote system management and online technical support
- > Data storage and online advertising
- > Software as a service (SaaS)
- > Downloads of digital content (e.g., music, games)

Not all digital services are within the scope of these rules.

#### Further information

The following link provides more detailed information on the rules in question:

<http://www.afip.gov.ar/>

## Affected digital service businesses

Argentina's Federal Public Revenue Administration (AFIP) compiled a list of 180+ digital service businesses that are affected by the new VAT rules.

The list is available here:

[http://biblioteca.afip.gob.ar/pdf/RG\\_4240\\_AFIP\\_A2.pdf](http://biblioteca.afip.gob.ar/pdf/RG_4240_AFIP_A2.pdf)

## Currency payment

Argentine Peso (ARS)

## FX conversion

Selling exchange rate published by Argentina's national bank: Banco Nación Argentina.

## FX settlement rate

Foreign currencies must be converted into Argentine Pesos by using the selling exchange rate published by Banco Nación Argentina on the day before the due date for payment or on the day of payment, whichever is the earliest.

## Note on Argentina rules

The Argentine approach to assigning liability for the collection and remittance of VAT in this new rule is interesting. The place of supply rules are in place but the liability is not on the non-resident supplier. The liability for the collection and remittance of VAT, in practice, falls on the Argentinian customer's payment provider.

This approach differs from the Organisation for Economic Cooperation and Development (OECD) published guidelines. These guidelines recommend placing the liability for collection and remittance of VAT/GST on the non-resident supplier. In Argentina, with the enactment of this new regulation, the liability will be on the local payment provider.

Another noteworthy element of the new Argentine rules is that not all digital services are in scope. The AFIP have compiled a list of non-resident suppliers, which will be extended and updated in the future based on informational regimes that will be implemented. As the list stands today it is not exhaustive as some large companies are absent. Domestic customers and payment providers can view this [list](#) to know the services for which VAT should be applied.



Date of introduction: July 1, 2017



Goods and Services Tax (GST) rate: 10%

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### Impact of rules on merchant

#### Definition of affected services

The Australian Tax Office (ATO) states that the extension of GST now applies to international sales of services and digital products provided to Australian consumers (B2C).

Foreign-based businesses who sell services or digital products or electronic distribution platform operators who facilitate these sales should consider whether they need to register for Australian GST.

The ATO defines the services and digital products affected by the July 1, 2017, GST law change as:

- > Streaming of movies, music, apps, games and e-books
- > Downloading of movies, music, apps, games and e-books
- > Services such as architectural or legal services

Examples of imported services and digital products include:

- > Supplies of digital content such as e-books, movies, TV shows, music and online newspaper subscriptions
- > Online supplies of games, apps,
- > Software and software maintenance
- > Webinars or distance learning courses
- > Insurance services
- > Gambling services
- > Online dating services
- > Booking services for events or places within Australia (such as hotel accommodation or sports events)
- > Website design or publishing services
- > Professional association services (i.e. membership fees)
- > Legal, accounting, architectural or consultancy services.

#### Further information

The following link provides more detailed information on the rules in question:

<https://www.ato.gov.au/Business/International-tax-for-business/GST-on-imported-services-and-digital-products/>

<b>Threshold</b>	Suppliers must register for Australian GST when the total value of their sales exceed AUD\$75,000 (circa USD\$51,000, EUR€45,500, GBP£41,500) over any 12-month period.
<b>Filing frequency/ deadline</b>	Quarterly - 28 days after the end of the tax period under the simplified registration method or when below a AUD\$20 million turnover.
<b>Invoicing</b>	There is no invoicing obligation if a non-resident merchant is registered for Australian GST under the simplified registration system. This system was introduced when Australia extended (on July 1, 2017) its GST system to cover the cross-border digital supplies by foreign-based businesses.
<b>Currency payment</b>	Australian GST must be paid in local currency, Australian Dollar (AUD).
<b>FX conversion</b>	<p>GST: Foreign Currency Conversion Determination 2018/ ATO advice allows conversions from foreign currency to AUD for payment purposes via the following methods:</p> <ul style="list-style-type: none"> <li>&gt; A foreign exchange organisation</li> <li>&gt; The Reserve Bank of Australia rate</li> <li>&gt; The rate agreed between an Intermediary and their customer (arm's length dealing rate for associates)</li> </ul>
<b>FX settlement rate</b>	<p>GST: Foreign Currency Determination 2018/ ATO advice states that merchants can convert amounts on the earlier of either the:</p> <ul style="list-style-type: none"> <li>&gt; Day any of the payment is received for the sale</li> <li>&gt; Transaction date/the invoice date (whichever you have chosen)</li> </ul> <p>Non-resident merchants can also convert amounts on the final day of their tax period. FX rate method, once chosen, should be applied consistently by the merchant.</p>
<b>B2B validation available</b>	Yes.
<b>Data storage</b>	5 years.

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Date of introduction: January 1, 2019



Value Added Tax (VAT) rate: 5%

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### Impact of rules on merchant

#### Definition of affected services

According to Bahrain's VAT Executive Regulations, released by the National Bureau for Taxation in December 2018, 'electronic services' shall include, but not be limited to, the following:

- > Services that provide or support an electronic network, including a website or web page on the internet.
- > Digital products, including computer programmes and any changes or updates to software programmes.
- > Services automatically generated by a computer over the internet or an electronic network, as a response to specific data inputs by the receiver.
- > Internet services software for information that allows the communications component to provide an assisting element, for example, components that allow access to news, weather or travel reports, web hosting, online discussion and others.
- > Supply of a website domain, web hosting and remote maintenance of software and equipment.
- > Supply of visual content such as images or texts that are automatically supplied, screensavers, electronic books and other documents and digital files.
- > Supply of music, films, television series, games, magazines, newspapers, or other programmes upon request.
- > Provision of advertising on websites and advertising space on websites and any rights associated with such advertising.
- > Provision of online educational services.
- > Supply of computer programmes and updates.

#### Further information

The following link provides more detailed information on the rules in question:

<https://www.nbr.gov.bh/>

<b>Threshold</b>	No threshold to registration for non-resident suppliers.
<b>Filing frequency/ deadline</b>	<p>Non-resident suppliers are required to file on a <b>quarterly</b> basis, i.e. Jan-March, April-June, July-September, October-December.</p> <p>Registered taxable persons are required to file their VAT return no later than the last day of the month following the end of the relevant VAT period.</p>
<b>Invoicing</b>	<p>The invoice must show the amount in the local Bahraini Dinar (BHD) currency.</p> <p>The Bahrain Central Bank rate must be used on the day of the transaction.</p>
<b>Currency payment</b>	Payment of Bahrain VAT must be made in Bahraini Dinars (BHD)
<b>FX conversion</b>	Foreign currencies will need to be converted using the foreign exchange rate source available from the Central Bank of Bahrain: <a href="https://www.cbb.gov.bh/majorcurrency.php">https://www.cbb.gov.bh/majorcurrency.php</a>
<b>FX settlement rate</b>	Based on the Bahrain VAT law the FX rate to be used is the last rate available at the date of supply.
<b>B2B validation available</b>	Yes - but in practice it is acceptable to just charge VAT.
<b>Data storage</b>	5 years.



Date of introduction: July 1, 2018



Value Added Tax (VAT) rate: 15% - note: a reduced rate of 5% may apply to certain digital services

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### Impact of rules on merchant

#### Definition of affected services

The 5% VAT rate is applicable to “Information Technology Enabled Services (ITES)” as defined below:

- > Digital Content Development and Management
- > Animation (both 2D and 3D)
- > Geographic Information Services (GIS)
- > IT Support and Software Maintenance services,
- > Software Development and Customization
- > Website Development and Services
- > Website Hosting
- > Digital Data Analytics
- > Business Process Outsourcing
- > Data Entry and Data Processing
- > Call Centre
- > Digital Graphics Design and Computer Aided Design
- > Search Engine Optimization
- > Web Listing
- > Document Conversion
- > Imaging and Archiving
- > Overseas Medical Transcription
- > Cyber Security Services
- > E-Procurement and E-Auction

If any services are not included in the ITES definition then these are out of scope of this VAT Category.

#### Out of reduced rate scope:

The likes of e-books, e-newspapers, software downloads or e-services are not included in the ITES services, so these are excluded from the ‘reduced rates’ VAT category and shall fall under “other miscellaneous services” and are to be subjected to 15% VAT.

#### Further information

The following link provides more detailed information on the rules in question:

<http://nbr.gov.bd/>

<b>Threshold</b>	Yes. BDT 30,000,000. Threshold is for annual turnover (total sales of taxable goods or services in one specific year). Cannot charge VAT without registering.
<b>Filing frequency/ deadline</b>	Monthly - 15 days after the reporting period ends.
<b>Invoicing</b>	<p>A VAT invoice must include the following information:</p> <ol style="list-style-type: none"> <li>1. Mushak 6.3 (i.e. 'Tax Invoice' or 'VAT Invoice')</li> <li>2. Sequential numbering</li> <li>3. Mention the following: <ul style="list-style-type: none"> <li>&gt; The name, address and business identification number of the supplier</li> <li>&gt; The name, address and business identification number of the buyer if the value of the supply is more than BDT25,000.00 (circa USD\$300) only</li> <li>&gt; A description and quantity of the goods supplied, and the actual time and date of such supply</li> <li>&gt; The value of the supply (exclusive of VAT)</li> <li>&gt; The VAT rate applicable to the supply</li> <li>&gt; The amount of payable VAT</li> <li>&gt; Summary of the price of supply and the payable VAT</li> <li>&gt; Signature is required on the invoice</li> </ul> </li> </ol>
<b>Currency payment</b>	Bangladeshi Taka (BDT)
<b>FX conversion</b>	Use rates provided by Central Bank of Bangladesh.
<b>FX settlement rate</b>	For the payment of the VAT, businesses can use the last published rate of the month.
<b>B2B validation available</b>	Not required.
<b>Data storage</b>	5 years.



Date of introduction: January 1, 2018



Value Added Tax (VAT) rate: 20%

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### Impact of rules on merchant

#### Definition of affected services

The Belarusian tax authorities have legislated for services which are provided by a foreign company via the Internet in an automated fashion by means of information technologies, including with the assistance of a foreign intermediary for the transactions based on a delegation agreement, commission agreement or an agreement of a similar type.

Such services include (not an exhaustive list):

- > Granting the rights to use of software (including computer games), databases, their updates and functional optionality also via remote access, as well as electronic books and other electronic publications, information, educative materials, graphic images, pieces of music with the text or without the text, audiovisual products on the Internet also via remote access for screening and (or) listening on the Internet
- > Advertising on the Internet also with the use of computer programs and databases operating on the Internet, as well as provision of space and time for advertising on the Internet
- > Services concerning distribution of offers on acquisition (realization) of goods (works and services) and property rights on the Internet
- > Services delivered automatically via the Internet after consumer data entering, automatic services on data search, its selection and query sorting, services on provision of the data to the users via information and telecommunication network (including real time market data of stock exchanges, real time automatic translation

#### Further information

Free-of-charge digital services are not subject to digital VAT in Belarus.

The following link provides more detailed information on the rules in question:

[http://www.nalog.gov.by/en/e\\_nds\\_en/](http://www.nalog.gov.by/en/e_nds_en/)

<b>Threshold</b>	No threshold to registration.
<b>Filing frequency/ deadline</b>	Generally, quarterly – 20 days after the end of the calendar quarter.
<b>Invoicing</b>	<p>Foreign companies rendering digital services are not obliged to comply with Belarusian accounting rules. Unlike foreign companies, Belarusian legal entities and individual entrepreneurs may be obliged to comply with Belarusian accounting rules. If so they need to compile Primary Accounting Documents (PADs). Foreign companies are not obliged to prepare or sign PADs, but can do this to help their customers that are obliged to have PADs. Normally, PADs are hardcopy documents that need to be signed by handwritten signatures of the parties. Generally PADs should include the following information:</p> <ul style="list-style-type: none"> <li>&gt; The name of the document, the date of its compilation</li> <li>&gt; The content (i.e. service description) and basis for the performance of the transaction (i.e. number of the contract), its value (i.e. service fee)</li> <li>&gt; The name, position, signature of individuals responsible for the transaction</li> <li>&gt; Full name of the parties of the transaction</li> <li>&gt; PADs should be in Russian (or Belarusian) or bilingual (e.g. Russian and English)</li> </ul>
<b>Currency payment</b>	Belarusian VAT must be calculated and paid in the local currency, Belarusian Rouble (BYN). However, payment transfer can be made in a foreign currency.
<b>FX conversion</b>	National Bank of the Republic of Belarus provides an API feed for supported currencies for FX conversion purposes: <a href="https://www.nbrb.by/engl/statistics/rates/ratesdaily.asp">https://www.nbrb.by/engl/statistics/rates/ratesdaily.asp</a>
<b>FX settlement rate</b>	The FX rate on the last day of the calendar quarter should be used when preparing settlement reporting.
<b>B2B validation available</b>	Yes.
<b>Data storage</b>	Current calendar year and 5 years back (general rule).

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Date of introduction: June 1, 2020



Value Added Tax (VAT) rate: 19%

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### Impact of rules on merchant

#### Definition of affected services

The legal definition of affected digital services is as follows:

According to Article 8(n) of the VAT Law, the following services paid by providers domiciled or resident abroad are in scope of these rules:

- > The intermediation of services provided in Chile, whatever its nature, or of sales made in Chile or abroad provided that the latter give rise to an import;
- > The provision or delivery of digital entertainment content, such as videos, music, games or other analogues, through download, streaming or other technology, including for this purpose, texts, magazines, newspapers and books;
- > The provision of software, storage, platforms or IT infrastructure; and
- > Advertising, regardless of the medium or platforms through which it is delivered, materialized or executed.

#### Further information

The following link provides more detailed information on the rules in question:

<http://www.sii.cl/vat/index.html>

<b>Threshold</b>	No threshold to registration.
<b>Filing frequency/ deadline</b>	<p>The taxpayer is entitled to choose between making filings every month, every two months or every three months.</p> <p>Filing is due 20 days after the following month.</p>
<b>Invoicing</b>	<p>There is no invoicing obligation for the rules regarding the cross-border supply of digital services to customers based in Chile.</p> <p>Invoices - if issued - may include the following information:</p> <ul style="list-style-type: none"><li>&gt; Issuer's name and tax identification number</li><li>&gt; Seller address</li><li>&gt; Price of the service, not including the corresponding VAT.</li><li>&gt; VAT (separately)</li><li>&gt; Description of the service provided</li><li>&gt; Issuance date and tax period</li><li>&gt; FX value in local currency</li></ul>
<b>Currency payment</b>	Payment can be made in USD. Payment can also be made in local currency, the Chilean Peso (CLP).
<b>FX conversion</b>	Use the Chile Central Bank FX rate source, go to (and use 'English' translate at top of page): <a href="https://si3.bcentral.cl/Siete/secure/cuadros/home.aspx?Idioma=en-US">https://si3.bcentral.cl/Siete/secure/cuadros/home.aspx?Idioma=en-US</a> > select Exchange rate > Nominal exchange rate.
<b>FX settlement rate</b>	The last available (e.g. the previous day's) FX rate can be used for all transactions.
<b>B2B validation available</b>	There is no B2B validation service available.
<b>Data storage</b>	3 years.



Date of introduction: July 1, 2018



Value Added Tax (VAT) rate: 19%

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### Impact of rules on merchant

#### Definition of affected services

The scope of affected digital service is unclear. It is difficult to provide a clear list of affected services in Colombia as due to exemptions a review needs to be performed on a case-by-case basis.

Indeed, according to article 476 (25) of the TC, the acquisition of software licenses for the commercial development of digital content, in accordance with the regulations issued by the Ministry of Technologies and Communications may be excluded from the VAT.

The Ministry of Technologies and Communications issued Decree 1412 of 2012 defining digital services for VAT purposes. The digital service, in order to be excluded from VAT, must comply with the following characteristics:

- > Its commercial value cannot be determined by the value of the supplies used for the development of the service.
- > The digital content can be copied, transmitted and can be used through telecommunication networks or technological tools.
- > The digital content must be products provided in a digital format as a sequence of ones and zeros that can be read by a computer and give instructions to it, such as computer software, videos, movies, music, games, electronic books and applications.

The Colombian Ministry of Technology has made available a self-diagnosis format that can be used by providers and consumers in order to determine whether a specific service is subject to the VAT exclusion.

#### Further information

The following link provides more detailed information on the rules in question:

<https://www.dian.gov.co/>

<b>Threshold</b>	No threshold to registration
<b>Filing frequency/ deadline</b>	<p>Once a Foreign Service Provider (FSP) is registered with the Colombian Tax Administration, the FSP must submit bi-monthly tax returns only if they conduct any transactions subject to VAT during a two-month period.</p> <p>The filing deadline is 15 days after the end of a taxable period.</p>
<b>Invoicing</b>	<p>Although no invoice is mandatory, according to the Tax Regulation, foreign suppliers obliged to fulfil VAT shall issue a document indicating the following:</p> <ul style="list-style-type: none"> <li>&gt; Name of the FSP and the tax ID Number granted in the country of residence.</li> <li>&gt; Name and tax ID of the Colombian customer.</li> <li>&gt; Date of issuance.</li> <li>&gt; Specific description of the service rendered.</li> <li>&gt; Sequential numbering.</li> <li>&gt; The total amount of the transaction in Colombian currency.</li> <li>&gt; The VAT amount.</li> </ul>
<b>Currency payment</b>	Colombian Peso (COP)
<b>FX conversion</b>	Central Bank (Banrep) rate must be used to convert from US Dollar amounts to COP.
<b>FX settlement rate</b>	When preparing the settlement report at the end of the period, the taxpayer shall use the rate at the time the transaction is accrued.
<b>B2B validation available</b>	No.
<b>Data storage</b>	5 years.



Date of introduction: January 1, 2015, for EU business, 2003 for non-EU business



Value Added Tax (VAT) rate: Variable (depends on EU Member State where digital service is consumed)

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### Impact of rules on merchant

#### Definition of affected services

The EU VAT rules introduced in January 2015 cover telecommunications, broadcasting, and electronically-supplied services such as:

#### Radio and television broadcasting services:

- > The supply of audio and audio-visual content for simultaneous listening or viewing by the general public on the basis of a programme schedule by a person that has editorial responsibility
- > Live streaming via the internet if broadcast at the same time as transmission via radio or television

#### Telecommunications services:

- > Fixed and mobile telephone services for the transmission and switching of voice, data and video, including telephone services with an imaging component, otherwise known as videophone services
- > Telephone services provided through the internet, including Voice over Internet Protocol (VoIP)
- > Voicemail, call waiting, call forwarding, caller identification, three-way calling and other call management services
- > Paging services
- > Access to the internet

#### Electronically supplied services:

- > Supplies of images or text, such as photos, screensavers, e-books and other digitised documents, for example, PDF files
- > Supplies of music, films and games, including games of chance and gambling games, and programmes on demand
- > Online magazines
- > Website supply or web hosting services
- > Distance maintenance of programmes and equipment
- > Supplies of software and software updates
- > Advertising space on a website

#### Further information

The following link provides more detailed information on the rules in question:

[bit.ly/digitaltax-eu](http://bit.ly/digitaltax-eu)

**Threshold** From **January 1, 2019**, a new €10,000 sales threshold for microbusinesses is used if the seller is based in the EU.

**Filing frequency/  
deadline** Quarterly - 20 days after the end of a tax period.  
  
For example, for Q4 returns the deadline for filing is January 20 (20 days after the end of Q4).

**Invoicing** Invoicing requirements vary per country.  
  
The applicable invoicing rules depend on the country of MOSS registration.

**Currency payment** Variable.  
  
The currency to use for VAT payment is dependent on the Member State of Identification (MSI).

**FX conversion** The European Central Bank (ECB) rate at the end of the quarter applies to cross-border B2C sales from non-EU suppliers to EU-based consumers.

**FX settlement rate** Use rate at the end of each tax settlement period, i.e. rate from the last day of each quarter.

**B2B validation available** Yes.

**Data storage** 10 years.



Date of introduction: 2011



Value Added Tax (VAT) rate: 24%

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### Impact of rules on merchant

#### Definition of affected services

Iceland's VOES (VAT on Electronic Services) is a simplified VAT registration scheme that is an option for foreign companies that sell taxable goods and services to non-taxable persons (including individuals) in Iceland.

According to the Icelandic VAT Act an electronically supplied service shall always be considered to be used where the buyer of the services has his residence or a place of business.

The same applies to the sale by data centres of mixed services to buyers with residence abroad and not with a permanent establishment in Iceland.

A simplified registration is not an option if a permanent establishment in Iceland provides the sale of goods and services.

The Icelandic definition of affected digital services mirror the EU VAT Directive (Appendix II) and include (but not exclusively) the downloading or streaming of:

- > Software
- > Apps for smartphones
- > Electronic games
- > Music
- > Movies or television programmes
- > Digital books
- > Other electronic publications

The services are always regarded as used where the buyer of the services resides or has a place of business.

#### Further information

The following link provides more detailed information on the rules in question:

[www.rsk.is/english/companies/value-added-tax](http://www.rsk.is/english/companies/value-added-tax)

<b>Threshold</b>	Yes. Threshold of ISK2,000,000 (circa USD\$16,300, EUR€14,500, GBP£12,400) over 12-month period applies.
<b>Filing frequency/ deadline</b>	Generally, every two months but other filing periods (monthly or annually) can also apply. The due date is 1 month and 5 days after the applicable filing period.
<b>Invoicing</b>	<p>Invoices must include:</p> <ul style="list-style-type: none"> <li>&gt; Date of issue</li> <li>&gt; Name and Icelandic Id. no. (kennitala) of the purchaser and seller</li> <li>&gt; VAT number of the seller,</li> <li>&gt; Type of sale</li> <li>&gt; Quantity</li> <li>&gt; Unit price and total price.</li> <li>&gt; Type of sale must be clear, so it can be deduced whether transaction is VAT-taxable activity</li> <li>&gt; State whether VAT is included in sum total or not.</li> </ul> <p>At the very least the exchange rate should be stipulated on the invoice along with the purchase amount and the VAT amount.</p>
<b>Currency payment</b>	Icelandic VAT should be paid in Icelandic Króna (ISK).
<b>FX conversion</b>	The FX rate provided by the Sedlabanki (Icelandic Central Bank) should be used. The rate is available here: <a href="https://www.cb.is/statistics/official-exchange-rate/">https://www.cb.is/statistics/official-exchange-rate/</a>
<b>FX settlement rate</b>	The Icelandic Tax Authority requires that each invoice is either issued in ISK, or the VAT is stipulated in ISK at the rate of the issue date. VAT settlement needs to add up to amounts converted at the rate of the time of the transaction.
<b>B2B validation available</b>	Yes, but in practice it is acceptable to just charge VAT.
<b>Data storage</b>	7 years.



Date of introduction: July 1, 2017 (service tax between Dec 2016 and June 2017)



Goods and Services Tax (GST) rate: 18%

### Impact of rules on merchant

#### Definition of affected services

India's GST Act defines Online Information and Database Access Retrieval (OIDAR) services to mean services whose delivery is mediated by information technology 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.

OIDAR is a category of services provided through the medium of internet and received by the recipient online without having any physical interface with the supplier of such services.

India's Central Board of Excise and Customs (CBEC) defines affected services in GST legislation as OIDAR services, including:

- > Online advertising
- > Cloud service providers
- > The provision of e-books, movie, music, software and other intangibles via telecommunication networks or internet
- > Providing data or information, retrievable or otherwise, to any person, in electronic form through a computer network
- > Online supplies of digital content (movies, television shows, music, etc.)
- > Digital data storage
- > Online gaming

#### Further information

The following link provides more detailed information on the rules in question:

[bit.ly/digitaltax-india](http://bit.ly/digitaltax-india)

**Threshold** No threshold for foreign digital service suppliers with Indian customers.

**Filing frequency/  
deadline** Monthly - 20 days after the end of each month.

**Invoicing** Invoicing is applicable and should include the following:

- > Name, address, and GST ID number allotted on registration to the foreign-based OIDAR supplier
- > Invoice / serial number
- > Date of issue
- > Name, address of customer with name of State, and a unique two-digit code assigned to every State
- > Service Accounting Code (SAC), a (6) digit unique code assigned to each OIDAR service category
- > Description and total value of service
- > Taxable value, GST rate, and amount of GST
- > Place of supply with State name
- > Signature / digital signature of the supplier or his authorised representative

**Currency payment** India GST must be paid in Indian Rupees (INR).

**FX conversion** The Reserve Bank of India (i.e. the RBI reference rate for the currency) provides the exchange rate information.

**FX settlement rate** Use rate at the end of each tax settlement period.

**B2B validation available** Yes.

**Data storage** 5 years.



Date of introduction: October 1, 2015



Consumption tax rate: 10%

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### Impact of rules on merchant

#### Definition of affected services

Japan's consumption tax legislation defines affected services as follows:

- > Provision of e-books, digital newspapers, music, videos, and software (including various applications such as games) via the internet
- > Services that allow customers to use software and databases in the cloud
- > Services that provide customers with storage space to save their electronic data in the cloud
- > Distribution of advertisements via the internet
- > Services that allow customers to access shopping and auction sites on the internet (e.g., charges on posting goods for sale etc.)
- > Services that allow customers to access the place to sell game software and other products on the internet
- > Provision via internet reservation websites for accommodation and restaurants (those who charge on posting for the website from the businesses that operate accommodation and restaurants)
- > English lessons provided via the internet

#### Further information

The following link provides more detailed information on the rules in question:

[https://www.nta.go.jp/english/taxes/consumption\\_tax/04.htm](https://www.nta.go.jp/english/taxes/consumption_tax/04.htm)

**Threshold** Yes. Companies must register for consumption tax when annual sales exceed JPY10 million (circa USD\$92,500, EUR€82,700, GBP£70,400).

**Filing frequency/ deadline** Annually - two months after the tax period or more frequently, though payment takes place according to required interim reports.

**Invoicing** For 'registered foreign businesses', when providing a Japanese business with electronic services, an invoice should state:

- > The name of the document issuer and its registration number
- > The date of provision of the services
- > The content of the services
- > The payment amount
- > Indication that the registered foreign business is liable for consumption tax
- > The name of the business (customer) receiving the invoice.

Issuing an invoice electronically is acceptable.

**Currency payment** Consumption tax payments should be made in Japanese Yen (JPY).

**FX conversion** Businesses supplying electronic services to Japan-based customers need to convert foreign currencies into JPY using the transaction date's Telegraphic Transfer Middle (T.T.M.) rate. The T.T.M. is a mid-market rate issued by banks in Japan.

**FX settlement rate** Advice is to use the T.T.M. rate on the date of the transaction.

**B2B validation available** No.

**Data storage** 7 years, two months.

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Date of introduction: January 1, 2020 (for B2C digital supplies)



Sales and Services Tax (SST) rate: 6%

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### Impact of rules on merchant

#### Definition of affected services

Digital services are services that are to be delivered through an information technology medium with minimal or no human intervention from the service provider.

These services include the supplies of the following (the list is not exhaustive):

- > Software, application & video games (e.g. online licensing of software, updates and add-ons website filters, firewalls, provision of mobile applications);
- > Music, e-book and film (e.g. provision of music, live streaming services, include subscription-based media/membership)
- > Advertisement and online platform (e.g. offering online advertising space on intangible media platform, offering platform to trade products or services)
- > Search engines and social networks (e.g. customised search-engine services)
- > Database and hosting (e.g. website hosting, online data warehousing, file-sharing and cloud storage services)
- > Internet Based Telecommunication (e.g. Cloud-PABX, VOIP Phone)
- > Online training (e.g. provision of distance teaching, e-learning, online courses, webinar)
- > Others (e.g. subscription to online newspapers and journals, provision of other digital content like images, text, information and payment processing services)

#### Further information

The following link provides more detailed information on the rules in question:

<https://mysst.customs.gov.my/assets/document/Industry%20Guides/GI/Guide%20on%20Digital%20Service.pdf>

**Threshold** Yes. Threshold of MYR 500,000 (circa USD\$121,800, EUR€108,800 or GBP£92,700) for a period of 12 months, the company is required to register as a taxable person.

**Filing frequency/  
deadline** Quarterly - last day of month following each quarter.

**Invoicing** Invoices should contain the following information:

- > The invoice serial number
- > The date of the invoice
- > The name, address and identification number of the registered person
- > A description sufficient to identify the taxable services are provided
- > Any discount offered
- > The total amount payable excluding service tax, the rate of service tax and the total service tax chargeable shown as a separate amount
- > The total amount payable inclusive of total service tax chargeable
- > Any amount expressed in a currency other than the ringgit shall also be expressed in ringgit at the selling rate of exchange prevailing in Malaysia at the time the taxable service is provided; and
- > It must be in the national language or English

**Currency payment** Payment to be made in Malaysian Ringgit (MYR).

**FX conversion** Foreign service providers may use any exchange rate they prefer for the purpose of service tax on digital services.

**FX settlement rate** Daily rate (**note**: it needs to match rate on invoice issued)

**B2B validation available** No.

**Data storage** 7 years.

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Date of introduction: June 1, 2020



Value Added Tax (VAT) rate: 16%

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### Impact of rules on merchant

#### Definition of affected services

In the case of services rendered through digital platforms by foreign residents without an establishment in Mexico, the digital services subject to this regime are the following, when rendered through digital content or digital applications, and provided that a consideration is charged for such services:

- > The download or access to images, movies, text, data, video, audio, music, games, news, traffic information, weather forecasts and statistics (excluding the download or access to books, newspapers and electronic magazines).
- > Intermediary services between third parties that are suppliers of goods or services and their clients, except those intended for the sale of used movable property.
- > Online clubs and dating websites.
- > Remote teaching, tests or exercises.

#### Further information

The following link provides more detailed information on the rules in question:

<https://www.sat.gob.mx/ordenamiento/37585/ley-del-impuesto-al-valor-agregado>

<b>Threshold</b>	No threshold to registration.
<b>Filing frequency/ deadline</b>	Monthly - 17th day of the following month.
<b>Invoicing</b>	<p>Invoices should contain the following information:</p> <ul style="list-style-type: none"><li>&gt; Invoices must include the following information:</li><li>&gt; Issuer's name and tax identification number</li><li>&gt; Supplier's city and country</li><li>&gt; Price of the service, not including the corresponding VAT</li><li>&gt; VAT (separately)</li><li>&gt; Description of the service provided</li><li>&gt; Issuance date and tax period</li><li>&gt; Tax ID number (RFC) of the Mexican resident to whom the invoice is issued (recipient of the services)</li></ul>
<b>Currency payment</b>	Payment to be made in Mexican Peso (MXN).
<b>FX conversion</b>	<p>Foreign digital service providers that do not use USD must for settlement first convert to USD and then to MXN.</p> <p>The FX rates provided by the Mexico Central Bank (Banxico) must be used.</p>
<b>FX settlement rate</b>	Previous day's rate.
<b>B2B validation available</b>	Validation of the tax ID number provided by a business <i>may</i> be carried out online, however it is not required to operate.
<b>Data storage</b>	5 years.



Date of introduction: October 1, 2016



Goods and Services Tax (GST) rate: 15%

### Impact of rules on merchant

#### Definition of affected services

For the purposes of New Zealand's GST legislation, a "remote service" is a service that, at the time of the performance of the service, has no necessary connection between the place where the service is physically performed and the location of the recipient of the services. New Zealand's remote services rules generally apply to supplies to New Zealand-resident consumers. Different rules apply where remote services are supplied to New Zealand GST-registered businesses.

New Zealand's Inland Revenue Department (IRD) has given the following examples of services that may be "remote services" for New Zealand GST purposes:

- > Supplies of digital content such as e-books, movies, TV shows, music and online newspaper subscriptions
- > Online supplies of games, apps, software and software maintenance
- > Webinars or distance learning courses
- > Insurance services
- > Gambling services
- > Website design or publishing services
- > Legal, accounting or consultancy services

Examples of services that will not be within the definition of remote services (because there is a necessary connection between the place where the service is physically performed and the location of the recipient) include:

- > Accommodation services
- > Hairdressing, beauty therapy and physiotherapy
- > Car rental services
- > Entry to cinema, theatre performances, sports events and museums
- > Gym membership
- > Passenger transport services, and
- > Restaurant and catering services.

#### Further information

The following link provides more detailed information on the rules in question:

[bit.ly/digitaltax-newzealand](http://bit.ly/digitaltax-newzealand)

**Threshold** Yes. Registration required when supplies to New Zealand consumers exceed – or are expected to exceed – NZD\$60,000 (circa USD\$40,000, EUR€35,800, GBP£30,400) in a 12-month period.

**Filing frequency/ deadline** Quarterly - 28 days after the end of the tax period.

**Invoicing** When a non-resident business supplies a remote service to a New Zealand-based consumer they don't have to give them a tax invoice.

Tax invoices are a standard requirement for New Zealand GST-registered businesses.

**Currency payment** Payments of New Zealand GST should be in New Zealand Dollar (NZD).

**FX conversion** The New Zealand IRD states that using a New Zealand commercial trading bank's exchange rate, such as Westpac, is recommended for FX conversion with the potential to use European Central Bank (ECB) rates as a fallback option.

**FX settlement rate** Non-resident suppliers need to convert currencies into NZD for GST returns. They can convert this at:

- > The time they supplied the service
- > The last day of the relevant taxable period
- > A time agreed with New Zealand's IRD, or
- > The earlier of the:
  - > Date they file their return for the relevant period, or
  - > Due date for filing their return for the relevant period

**B2B validation available** Available via New Zealand Companies Office Register.

**Data storage** 7 years.

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Date of introduction: July 1, 2011



Value Added Tax (VAT) rate: 25%

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### Impact of rules on merchant

#### Definition of affected services

Electronic services (e-services) are defined in the Norwegian Value Added Tax Act section 1-3 first paragraph letter j.

The definition is based on the EU VAT Directive (2206/112/EU) and the EU VAT Regulation (Council Implementing Regulation NO 282/2011 of 15 March 2011).

They can be used as guidelines when deciding what is included in the term electronic services.

E-services are services that:

- > Are capable of delivery from a remote location
- > Are delivered over the internet or any other electronic network
- > Are impossible to deliver in the absence of information technology
- > Are of a nature which renders their supply essentially automated

Examples include the downloading of:

- > Software
- > Music
- > Films
- > Digital books
- > Other electronic publications

#### Further information

The following link provides more detailed information on the rules in question:

<https://www.skatteetaten.no/en/business-and-organisation/vat-and-duties/vat/foreign/e-commerce-voec/>

<b>Threshold</b>	Yes. Threshold of NOK50,000 (circa USD\$5,700, EUR€5,100, GBP£4,300).
<b>Filing frequency/ deadline</b>	Quarterly - 20 days after the end of each quarter. For example, for Q4 2017 returns the deadline for filing is January 20, 2018 (20 days after the end of Q4 2017).
<b>Invoicing</b>	<p>Invoicing requirements do not apply for companies only registered for cross-border B2C supplies of digital services.</p> <p>Such companies shall produce a transaction list containing the following information for each sale:</p> <ul style="list-style-type: none"> <li>&gt; Reference to sales document</li> <li>&gt; Delivery date</li> <li>&gt; Name and residential address of customer</li> <li>&gt; Currency</li> <li>&gt; Fee in NOK, inclusive of VAT</li> <li>&gt; Calculated VAT</li> </ul>
<b>Currency payment</b>	Norway VAT should be paid in Norwegian Kroner (NOK).
<b>FX conversion</b>	<p>The FX rate provided by the Norges Central Bank should be used. This rate is updated weekly and is available for download from the 'Corporate' section at:</p> <p><a href="http://www.toll.no/no/verktoy/valutakurser/">www.toll.no/no/verktoy/valutakurser/</a></p>
<b>FX settlement rate</b>	A consideration that is stated in a foreign currency shall be converted into NOK at the rate of exchange on the date of supply stipulated pursuant to the Norway VAT Act on Customs Duties and Movement of Goods section 7-19.
<b>B2B validation available</b>	Yes.
<b>Data storage</b>	5 years.



Date of introduction: January 1, 2019



Québec Sales Tax (QST) rate: 9.975%

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## Impact of rules on merchant

### Definition of affected services

To ensure that Québec Sales Tax (QST) is collected and remitted in the context of the digital economy, the Québec government implemented a new registration system.

The requirement to register under this new registration system applies to taxable supplies of physical and incorporeal movable property and of services to specified Québec consumers by suppliers outside Québec. It also apply to supplies of incorporeal movable property (intangible property) and services made by such suppliers using distribution platforms (“digital platforms”).

### CONSUMER:

An individual who acquires property or a service at his or her expense for the personal consumption, use or enjoyment of the individual or of any other individual.

However, an individual is not a consumer if the property or service is acquired in the course of his or her commercial activities or other activities in the course of which the individual makes exempt supplies.

### Further information

The following link provides more detailed information on the rules in question:

<https://www.revenuquebec.ca/en/businesses/consumption-taxes/gsthst-and-qst/special-cases-gsthst-and-qst/suppliers-outside-quebec/>

<b>Threshold</b>	<p>CAD\$30,000: this equates to circa USD\$23,100, EUR€20,700, GBP£17,600.</p> <p>CAD\$30,000 of taxable supplies made in Québec by foreign digital service suppliers to domestic customers in the 12 months preceding any calendar month.</p>
<b>Filing frequency/ deadline</b>	Quarterly - last day of month following the quarter.
<b>Invoicing</b>	<p>The following is the information required on invoices for supplies valued between CAD\$30,000 to CAD\$149,999:</p> <ul style="list-style-type: none"> <li>&gt; Supplier's name or business name, or the name of an intermediary</li> <li>&gt; Date of invoice</li> <li>&gt; Total amount of invoice</li> <li>&gt; Amount of applicable tax (GST and QST)</li> <li>&gt; Supplier's GST and QST registration numbers</li> <li>&gt; Description of property or service (QST only)</li> </ul> <p>For supplies above CAD\$150,000 more information may be needed on invoices.</p>
<b>Currency payment</b>	Payment to be made no later than return filing deadline.
<b>FX conversion</b>	Use the Bank of Canada rate source.
<b>FX settlement rate</b>	Converted into Canadian Dollar using the exchange rate applicable on the last day of the reporting period, or any other conversion method acceptable to Canada.
<b>B2B validation available</b>	Yes.
<b>Data storage</b>	6 years.



Date of introduction: January 1, 2017



Value Added Tax (VAT) rate: 20%

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### Impact of rules on merchant

#### Definition of affected services

The list of affected services in Russia include online services like streaming music, films, gaming services, domain names, hosting, website and webpage support, etc.

Russia's online resource (link below) defines affected services as:

- > The provision of rights to use computer software or video games, including updates and patches through the internet
- > Provision of rights to use music, images, etc. through the internet
- > Placing of advertisements and other sale offers
- > Online search and information services
- > Data storage and processing through the internet

#### Further information

The following link provides more detailed information on the rules in question:

[bit.ly/digitaltax-russia](http://bit.ly/digitaltax-russia)

<b>Threshold</b>	No threshold to registration.
<b>Filing frequency/ deadline</b>	Generally, quarterly - 25 days after the end of each quarter.
<b>Invoicing</b>	<p>There are some formal invoicing requirements for foreign suppliers. However, here is a summary of what should appear on an invoice:</p> <ul style="list-style-type: none"><li>&gt; Sequential number and date of issue of the invoice</li><li>&gt; Name and address of the seller and the purchaser</li><li>&gt; Russian Tax Identification Number of the seller (INN) and its registration number at the Russian tax office (KPP)</li><li>&gt; Currency of the invoice</li><li>&gt; Value of services excluding VAT</li><li>&gt; VAT rate</li><li>&gt; Amount of VAT charged to the purchaser as determined on the basis of the applicable tax rate</li><li>&gt; Total value of services, including the amount of VAT</li></ul>
<b>Currency payment</b>	Russia VAT should be paid in Russian Roubles (RUB).
<b>FX conversion</b>	FX rate from the Central Bank of the Russian Federation ( <a href="http://www.cbr.ru">www.cbr.ru</a> ) must be used when converting foreign currencies into Russian roubles (RUB).
<b>FX settlement rate</b>	Rate of the day of the transaction should apply.
<b>B2B validation available</b>	No. From January 1, 2019, B2B supplies from a foreign digital business to a Russian business are subject to VAT.
<b>Data storage</b>	4 years.



Date of introduction: January 1, 2018



Value Added Tax (VAT) rate: 5% (15% from July 1, 2020)

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### Impact of rules on merchant

#### Definition of affected services

Foreign supplied digital services are defined in Article 24 of Saudi Arabia's Executive Regulations.

The Executive Regulations provide a non-exhaustive list that qualifies under the heading of wireless/non-wireless service including the following services relating to the internet:

- > The provision of access to global information networks
- > Live streaming via the internet
- > Supplies of images or text provided electronically such as photos, screensavers, electronic books and other digitized documents or files
- > Supplies of music, films and games and of programs on demand
- > Online magazines
- > Website supply or web hosting services
- > Distance maintenance of programs and equipment
- > Supplies of software and software updates
- > Advertising space on website and any rights associated with such advertising

#### Further information

The following link provides more detailed information on the rules in question:

[www.vat.gov.sa/en](http://www.vat.gov.sa/en)

<b>Threshold</b>	No threshold to registration for non-resident suppliers.
<b>Filing frequency/ deadline</b>	Generally, quarterly - last day of the month following the end of the tax period.
<b>Invoicing</b>	<p>A tax invoice must include the following details:</p> <ul style="list-style-type: none"><li>&gt; The date of issue</li><li>&gt; The name, address, and tax identification number of the supplier</li><li>&gt; A description of the goods or services supplied</li><li>&gt; The consideration payable for the goods or services</li><li>&gt; The tax payable or a statement that the consideration is inclusive of tax in respect of the supply of goods or services.</li></ul> <p>The whole invoice needs to be in Arabic.</p>
<b>Currency payment</b>	Saudi Arabian VAT should be paid in Saudi Riyal (SAR).
<b>FX conversion</b>	The source accepted by the General Authority of Zakat and Tax (GAZT) is the official daily exchange rates set by the Saudi Monetary Authority.
<b>FX settlement rate</b>	The exchange rate to be used is the daily exchange at the date that the relevant tax becomes due.
<b>B2B validation available</b>	Yes, but in practice it is acceptable to just charge VAT.
<b>Data storage</b>	6 years.



Date of introduction: October 15, 2015



Value Added Tax (VAT) rate: 20%

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### Impact of rules on merchant

#### Definition of affected services

Serbia's definition of affected services aligns with the definition provided in the EU VAT rules.

#### Radio and television broadcasting services:

- > The supply of audio and audio-visual content for simultaneous listening or viewing by the general public on the basis of a programme schedule by a person that has editorial responsibility
- > Live streaming via the internet if broadcast at the same time as transmission via radio or television

#### Telecommunications services:

- > Fixed and mobile telephone services for the transmission and switching of voice, data and video, including telephone services with an imaging component, otherwise known as videophone services
- > Telephone services provided through the internet, including Voice over Internet Protocol (VoIP)
- > Voicemail, call waiting, call forwarding, caller identification, three-way calling and other call management services
- > Paging services
- > Access to the internet

#### Electronically supplied services:

- > Supplies of images or text, such as photos, screensavers, e-books and other digitised documents, for example, PDF files
- > Supplies of music, films and games, including games of chance and gambling games, and programmes on demand
- > Online magazines
- > Website supply or web hosting services
- > Distance maintenance of programmes and equipment
- > Supplies of software and software updates
- > Advertising space on a website

#### Further information

The following link provides more detailed information on the rules in question:

<http://www.purs.gov.rs/en/Legal-entities/Vat/TheLaw/VALUEADDEDTAXLAW.html>

**Threshold** No threshold to registration.

**Filing frequency/  
deadline** Monthly - 15 days after the end of each month.

**Invoicing** Here is a summary of what to include on invoices:

- > The name and address and Tax Identification Number (TIN) of the VAT taxpayer
- > Place and date of issuing the bill and its sequential number
- > Name and address and TIN of the customer
- > The kind and quantity of delivered goods or kind and size of services. A detailed description should be provided where available
- > Date of the trade of goods and services, and the amounts of advance payments
- > Base amount
- > Applicable tax base
- > Amount of VAT calculated on the base
- > All amounts need to also be expressed in the local Serbian Dinar (RSD) currency
- > Information regarding the tax agent

**Currency payment** VAT should be paid in Serbia Dinar (RSD).

**FX conversion** The median exchange rate published by the National Bank of Serbia, effective on the date of the supply, unless application of some other exchange rate is agreed between the parties.

**FX settlement rate** Daily rate.

**B2B validation available** No.

**Data storage** 10 years.



Date of introduction: January 1, 2020



Goods and Services Tax (GST) rate: 7%

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### Impact of rules on merchant

#### Definition of affected services

This is a non-exhaustive list of affected services:

- > Any digital product;
- > Any software or software update;
- > Any image, text or information, or the making available of any database;
- > Any music, film or game;
- > Any distance teaching through any pre-recorded medium or e-learning;
- > Any website supply, web hosting, or automated or digital maintenance of any programme;
- > Any service providing or supporting a business or personal presence on any electronic network;
- > Any search engine or automated helpdesk service;
- > Any listing service for the right to put goods or services for sale on any online market or auction house;
- > Any live streaming service;
- > Any advertising service on any intangible media platform, where the Comptroller is satisfied that the advertisement is intended to be substantially promulgated in Singapore;
- > Any support service performed, through electronic means, for arranging or facilitating the completion of underlying transactions; but

The definition does not include any of the following:

- > Any telecommunication service as defined in the Fifth Schedule to the Goods and Services Tax (International Services) Order (O 1);
- > Any advertising service on any intangible media platform, where the Comptroller is satisfied that the advertisement is intended to be wholly promulgated outside Singapore.
- > Professional services involving human intervention, even if advice is provided by electronic means

#### Further information

The following link provides more detailed information on the rules in question:

<https://www.iras.gov.sg/irashome/GST/GST-registered-businesses/GST-and-Digital-Economy/GST-on-Imported-Services/>

**Threshold** Yes. Registration required if businesses:

- > Have an annual global turnover exceeding SGD\$1 million (circa USD\$740,000, EUR€662,500, GBP£563,500); **and**
- > Make B2C supplies of digital services to customers in Singapore exceeding \$100,000

**Filing frequency/ deadline** Quarterly - last day of the month following each quarter.

**Invoicing** Sample information required in an invoice:

- > An identifying number, e.g. a serial number
- > Date of issue
- > Company name, address and GST registration
- > Customer's name and address
- > Detailed description to identify the goods and services allowed for
- > Total amount, excluding tax
- > Rate and amount of tax
- > Total amount credited, including tax

**Currency payment** GST should be paid in Singapore Dollar (SGD).

**FX conversion** No specific FX source provided by Singapore for currency conversion. Prevailing exchange rate, which is reflective of the Singapore money market, can be used once applied consistently on all supplies.

**FX settlement rate** Businesses have the option to calculate the FX rate for tax settlement on any of three methods:

- > Daily
- > End of the GST quarter (e.g. 30 June, 30 September, 31 December and 31 March); or
- > The date of filing the GST return

**B2B validation available** Yes.

**Data storage** 5 years

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Date of introduction: June 1, 2014



Value Added Tax (VAT) rate: 15%

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### Impact of rules on merchant

#### Definition of affected services

The following categories of services are regarded as “electronic services” in South Africa’s VAT law:

> “Electronic services” means any services supplied by means of an electronic agent, electronic communication or the internet for any consideration, other than

(a) educational services supplied from a place in an export country and regulated by an educational authority in terms of the laws of that export country;

(b) telecommunications services; or

(c) services supplied from a place in an export country by a company that is not a resident of the Republic to a company that is a resident of the Republic if —

(i) both those companies form part of the same group of companies; and

(ii) the company that is not a resident of the Republic itself supplies those services exclusively for the purposes of consumption of those services by the company that is resident of the Republic

#### Further information

The following link provides more detailed information on the rules in question:

<https://bit.ly/2MLcKt5>

**Threshold** Yes. Foreign electronic service suppliers must register for South African VAT when their annual sales over a consecutive 12-month period exceed ZAR1,000,000 (circa USD\$70,100, EUR€62,600, GBP£53,300).

**Filing frequency/ deadline** Monthly - last business day of month after tax period.

**Invoicing** Here is a summary of what to include on invoices:

- > Contains the words, “Tax Invoice”, “VAT invoice” or “Invoice” and an individual serialised number
- > Supplier’s name and VAT registration number
- > Name and address of the electronic services recipient
- > The date on which the tax invoice is issued
- > Description of the electronic services supplied
- > The consideration in money for the supply in the currency of any country.
- > The exchange rate used

**Currency payment** Returns should be submitted in South African Rand (ZAR).

**FX conversion** Multiple options for conversion of currencies into ZAR, including the use of the European Central Bank (ECB) rate.

**FX settlement rate** Daily rate. The applicable daily exchange rate is either:

1. On the date the time of supply occurs
2. On the last day of the month preceding the time of the supply, or
3. Monthly average rate for the month preceding the month during which the time of supply occurs

**B2B validation available** No.

**Data storage** 5 years.



Date of introduction: July 1, 2015



Value Added Tax (VAT) rate: 10%

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### Impact of rules on merchant

#### Definition of affected services

The definition of affected services (electronic services, or e-services, as per South Korean legislation) is quite broad.

The VAT Act in Korea specifically provides the following definition of affected services:

The services, which are capable of being executed in a mobile communication terminal device, computer, etc. through information and communications network in Korea, referred to in any of the following:

- > Services capable of being stored and executed, or being operated in real time without being stored, in a mobile communication terminal device, computer, etc. referred to in any of the followings – (a) a game, audio or video file, electronic document, software or other works, which are manufactured or processed in the form of code, letters, voices, sounds, images, etc. after optical or electronic processing and (b) services to improve e-services under (a)
- > Services offering online advertising
- > Cloud computing services
- > Brokerage services of goods and services referred to in any of the followings – (a) brokerage services of renting or consuming articles (goods) or places in Korea and (b) brokerage services of selling or buying goods or services in Korea
- > Services prescribed by the Presidential Decree: currently not specified

#### Further information

The following link provides more detailed information on the rules in question:

[bit.ly/digitaltax-southkorea](http://bit.ly/digitaltax-southkorea)

### Threshold

No threshold. In the case of a foreign business supplying e-services to a domestic business, it is excluded from VAT. If the e-service is supplied through a third party (e.g. online marketplace), VAT may be imposed regardless of whether the e-service is supplied to a domestic business operator.

### Filing frequency/ deadline

Quarterly - 25 days after the tax period.

### Invoicing

No specific invoicing requirements. In practice, basic invoicing requirements such as listed below are acceptable:

- > Supplier's business registration number, company name, and address
- > Recipient's business registration number, company name, and address
- > The amount of supply and the VAT amount
- > The date of issuance of invoice
- > The type of the item being supplied (description), the quantity supplied, and the unit price
- > The date of supply

### Currency payment

VAT shall be paid in South Korean Won (KRW).

### FX conversion

If a payment for supply of goods or services is made in foreign currency, the value of supply, in principle, is the amount exchanged in KRW when the foreign currency is exchanged in KRW before the time of supply, and the amount converted to KRW based on the current standard foreign exchange rate (i.e., the basic exchange rate) when the foreign currency is converted to KRW at or after the time of supply, respectively.

### FX settlement rate

A payment exchange rate can be freely determined by agreement between transacting parties.

### B2B validation available

Yes.

### Data storage

5 years based on the relevant tax regulation in Korea.

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Date of introduction: January 1, 2010



Value Added Tax (VAT) rate: 7.7%

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### Impact of rules on merchant

#### Definition of affected services

The definition of affected services (telecommunication and electronic services) in Swiss Federal VAT law is as follows:

- > Radio and television services
- > The provision of access authorisation, in particular to fixed line and mobile networks, to satellite communication and to other information networks
- > The provision and guarantee of data transfer capacity
- > The provision of websites, web-hosting, and the tele-servicing of programs and equipment
- > The electronic provision of software and its updating
- > The electronic provision of images, texts and information and the provision of databases
- > The electronic provision of music, films and games

#### Further information

The following link provides more detailed information on the rules in question:

<https://www.gate.estv.admin.ch/mwst-webpublikationen/public/pages/sectorInfos/tableOfContent.xhtml?publicationId=1000066>

**Threshold** Yes. In the case of a foreign-based digital service supplier invoices Swiss B2C clients, registration obligation if annual worldwide sales exceeds CHF100,000 (approx USD\$103,100, EUR€92,100, GBP£78,500). If a foreign-based digital service supplier is required to register for Swiss VAT, VAT needs to also be charged on B2B sales.

**Filing frequency/  
deadline** Quarterly - 60 days after tax period.

**Invoicing** Invoices should contain the following information:

- > Date of the supply of goods or services
- > Name and address of the person performing the supply of goods or services as well as their VAT registration number
- > Name and address of the recipient to whom the goods or services were supplied
- > The kind, object and quantity of goods or services supplied
- > Consideration for supply of goods or services; and
- > VAT rate and VAT amount. If consideration includes the tax it is sufficient to indicate only the tax rate.

**Currency payment** Payments to be made in Swiss Franc (CHF).

**FX conversion** If a merchant transacts in non-CHF currencies, e.g. USD, these transactions must be converted to CHF for the tax return. The rate applied to non-CHF transactions should be the one published on the Swiss tax authority website.

**FX settlement rate** Rate of the day of the transaction should apply.

**B2B validation available** Yes. The database containing Swiss VAT numbers is publicly available ([www.uid.admin.ch](http://www.uid.admin.ch)). There is no legal obligation to validate the B2B status of the counterparty.

**Data storage** Every taxable person must keep records for a period of at least 10 years.

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Date of introduction: May 1, 2017



Value Added Tax (VAT) rate: 5% (plus 20% income tax)

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### Impact of rules on merchant

#### Definition of affected services

Taiwan's Value-Added and Non-Value-Added Business Tax Act stipulates that foreign suppliers selling cross-border electronic services to domestic individual purchasers shall register and pay VAT in Taiwan in order to control tax sources.

The Taiwan Taxation Administration defines affected 'electronic services' as follows:

- > The services used are downloaded via the internet or other electronic tools and saved to computers or mobile devices (such as smartphone, tablet computer, etc.) for use
- > The services are used online or via other electronic tools without being downloaded and saved into any devices, including services used in digital form like:
  - Online games
  - Advertisements
  - Audio-visual browsing
  - Voice frequency broadcasting
  - Information contents (such as movies, soap operas, music, etc)
  - Interactive communications
- > Other services used are supplied through the internet or other electronic tools; for example, the services are supplied through the online platforms set up by an offshore electronic business entity and used at a physical location.

#### Further information

The following link provides more detailed information on the rules in question:

<https://www.etax.nat.gov.tw/>

**Threshold** Yes. Foreign digital service suppliers must register for VAT in Taiwan when their annual sales exceed TWD480,000 (circa USD\$16,000, EUR€14,300, GBP£12,200).

**Filing frequency/ deadline** Bi-monthly - 15 days after the end of the tax period.

**Invoicing** Since January 1, 2020, e-invoicing is mandatory for foreign suppliers of digital services with customers in Taiwan and e-GUI (electronic government uniform invoice) numbers need to be applied for and used on the invoices.

Invoices should also include:

- > Invoicing period
- > e-GUI numbers
- > The invoice date
- > Text description for Taiwan's lottery information, including a hyperlink to claim rewards
- > Customer's email address
- > Amounts paid for service and product sold

**Currency payment** VAT payments must be made in New Taiwan Dollar (TWD).

**FX conversion** Use Bank of Taiwan FX rates.

**FX settlement rate** The FX rate used to calculate the VAT payable is the current buying spot exchange rate on the last day of the bi-monthly VAT filing period.

**B2B validation available** Yes.

**Data storage** Under Taiwan's tax laws, invoices/vouchers are required to be retained for 5 years, while accounting files/books are required to be retained for 10 years.



Date of introduction: January 1, 2018



Value Added Tax (VAT) rate: 18%

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### Impact of rules on merchant

#### Definition of affected services

The Turkish Revenue Administration states that foreign-based digital service providers have to declare and pay VAT which is charged on digital services for consideration to non-VAT registered individuals (B2C supplies).

Electronic services include the following (note that this list is not exhaustive):

- > Software, including access, download and update, and all digitized products (anti-virus programs, ad blocking programs, device drivers, web sites including filters and security wall products, including sales)
- > Streaming music
- > Films
- > Gaming services
- > Domain names
- > Hosting
- > Website and webpage support, etc

#### Further information

Non-resident electronic service providers should submit a sales list of B2B transactions in addition to filing VAT returns. This has been an obligation as of January 1, 2019.

The following link provides more detailed information on the rules in question:

<https://digitalservice.gib.gov.tr/>

<b>Threshold</b>	No threshold to registration.
<b>Filing frequency/ deadline</b>	Monthly - 24 days after the end of the tax period.
<b>Invoicing</b>	<p>Turkish invoicing rules apply to the cross-border supply of digital services to consumers based there.</p> <p>Invoices must include the following details:</p> <ul style="list-style-type: none"><li>&gt; The date and number of issuance</li><li>&gt; The name, trade name, business address and tax registration number of the supplier</li><li>&gt; The name, trade name, address and the tax registration number of the customer</li><li>&gt; A description sufficient to identify the goods or services supplied, the quantity and the price</li><li>&gt; The date of supply of the goods</li><li>&gt; Local currency total amount and VAT amount</li></ul>
<b>Currency payment</b>	Turkish VAT must be paid in local currency, Turkish Lira (TRY).
<b>FX conversion</b>	<p>Foreign currencies must be converted into Turkish Lira using the foreign currency buying rate of The Central Bank of The Republic of Turkey (CRBT) published in the Official Gazette on the date of taxable event.</p> <p>The applicable rate is the daily exchange rate (i.e. Forex Buying/Döviz Satış).</p>
<b>FX settlement rate</b>	FX rate on the day of the transaction should be used.
<b>B2B validation available</b>	Yes.
<b>Data storage</b>	5 years.

## United Arab Emirates (UAE)



Date of introduction: January 1, 2018



Value Added Tax (VAT) rate: 5%

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### Impact of rules on merchant

#### Definition of affected services

Article 23 of the Executive Regulations on UAE VAT state the following:

1. “Telecommunication services” means delivering, broadcasting, converting or receiving any of the services specified below by using any communications equipment or devices that transmit, broadcast, convert, or receive such service by electrical, magnetic, electromagnetic, electrochemical or electromechanical means or other means of communication.
2. “Electronic services” means Services which are automatically delivered over the internet, or an electronic network, or an electronic marketplace, including:
  - a. Supply of domain names, web-hosting and remote maintenance of programs and equipment
  - b. The supply and updating of software
  - c. The supply of images, text, and information provided electronically such as photos, screensavers, electronic books and other digitized documents and files
  - d. The supply of music, films and games on demand
  - e. The supply of online magazines
  - f. The supply of advertising space on a website and any rights associated with such advertising
  - g. The supply of political, cultural, artistic, sporting, scientific, educational or entertainment broadcasts, including broadcasts of events
  - h. Live streaming via the internet
  - i. The supply of distance learning
  - j. Services of an equivalent type which have a similar purpose and function

#### Further information

The following link provides more detailed information on the rules in question:

[www.tax.gov.ae](http://www.tax.gov.ae)

**Threshold** No threshold for non-resident suppliers of digital services.

**Filing frequency/  
deadline** Monthly or quarterly, depending on Federal Tax Authority registration decision - 28 days after end of the tax period.

**Invoicing** A simplified tax invoice shall contain the following:

- > The word “Tax Invoice” clearly displayed on the invoice
- > The name, address, and Tax Registration Number of the Registrant making the supply
- > The date of issuing the tax invoice
- > A description of the Goods or Services supplied
- > The total consideration and the tax amount charged

A simplified invoice applies in either of the following situations:

- > Where the recipient of goods or services is not a registrant
- > Where the recipient of goods or services is a registrant and the consideration for the supply does not exceed 10000 UAE Dirhams (circa USD\$2,700, EUR€2,400, or GBP£2,000).

**Currency payment** VAT must be paid in local currency, the UAE Dirham (AED).

**FX conversion** The UAE VAT law states that the exchange rate to be used in translating foreign currency to the UAE Dirham is the rate approved by the UAE Central Bank:  
<https://www.centralbank.ae/en/fx-rates>

**FX settlement rate** As of January 2018 the UAE VAT Law and Executive Regulations did not specify how foreign exchange rates for settlement should be treated.

**B2B validation available** Yes, but in practice it is acceptable to just charge VAT.

**Data storage** 6 years.

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Date of introduction: July 1, 2018



Value Added Tax (VAT) rate: 22%

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### Impact of rules on merchant

#### Definition of affected services

Uruguay's tax authority, Dirección General Impositiva (DGI), defines affected services as follows:

- > Any income derived from the production, distribution or intermediation of cinematographic movies and tapes, as well as those derived from the realisation of direct transmissions of television and transmissions of any audiovisual content, including those made through the Internet, technological platforms, computer applications, or other similar means, such as access and downloading of movies.
- > For these purposes, audiovisual content is defined as the content produced based on sounds, images or images in movement (video), separately or combined, with or without synchronism between them ("Digital Services of Audiovisual Content").
- > Mediation or intermediation activities carried out via the Internet, technological platforms, computer applications, or similar means, with the purpose of intervening directly or indirectly in the offer or demand of the provision of services ("Digital Services Marketplace").

#### Further information

The following link provides more detailed information on the rules in question:

<https://www.dgi.gub.uy>

<b>Threshold</b>	No threshold to registration
<b>Filing frequency/ deadline</b>	Annually - 4 months after the end of the fiscal year
<b>Invoicing</b>	<p>Non-resident entities - (1) without a physical presence in Uruguay and (2) whose exclusive income is generated out of digital services - may use, for tax purposes, the documentation issued in accordance with the regulations in force in its respective countries of residence.</p> <p>This authorization is valid insofar the taxpayer and the amount invoiced as a consequence of the digital service is duly detailed.</p>
<b>Currency payment</b>	Payment - in Uruguayan Peso - to take place between the 20th and 25th of the month after a taxable period, e.g. for March, it will be by April 20th-25th.
<b>FX conversion</b>	Use the Central Bank of Uruguay rate source (known as Banco Central Uruguay or BCU)
<b>FX settlement rate</b>	Daily FX rate.
<b>B2B validation available</b>	Yes
<b>Data storage</b>	10 years

# List of reduced tax rates on electronic publications

Throughout 2019 and 2020 a host of EU member states amended their VAT systems to apply reduced rates to electronic publications (e-publications).

Here are some examples (in order of introduction date):

- > **Croatia**: reduced rate of 5%, effective since January 1, 2019
- > **Ireland**: reduced rate of 9%, effective since January 1, 2019
- > **Malta**: reduced rate of 5%, effective since January 1, 2019
- > **Portugal**: reduced rate of 6%, effective since January 1, 2019
- > **Belgium**: reduced rate of 6%, effective since April 1, 2019
- > **Luxembourg**: reduced rate of 3%, effective since May 1, 2019
- > **Finland**: reduced rate of 10%, effective since July 1, 2019
- > **Sweden**: reduced rate of 6%, effective since July 1, 2019
- > **Poland**: reduced rate of 5%, effective since November 1, 2019
- > **Germany**: reduced rate of 7%, effective since January 1, 2020 (**note**: the VAT rate was temporarily reduced to 5% from July 1, 2020, until December 31, 2020)
- > **The Netherlands**: reduced rate of 9%, effective since January 1, 2020
- > **Slovenia**: reduced rate of 5%, effective from since 1, 2020
- > **Austria**: reduced rate of 10%, effective since January 1, 2020 (**note**: the VAT rate was temporarily reduced to 5% from July 1, 2020, until December 31, 2020)
- > **Spain**: reduced rate of 4%, effective since April 23, 2020
- > **Czechia**: reduced rate of 10%, effective since May 1, 2020
- > **Estonia**: reduced rate of 9%, effective since May 1, 2020
- > **United Kingdom**: zero rate, effective since May 1, 2020
- > **Bulgaria**: reduced rate of 9%, effective since July 1, 2020

## Other tax jurisdictions with reduced rates on e-publications

Other countries that have introduced a reduced tax rate on e-publications include:

- > **Norway**: reduced VAT rate of 0% for electronic publications effective since July 2019
- > **Switzerland**: reduced VAT rate of 2.5% on e-publications
- > **Morocco**: 0% for e-publications
- > **India**: a reduced GST rate is due to be introduced. However, it will only apply if an equivalent physical printed book also exists
- > **Turkey**: reduced VAT rate of 8% on e-books

# Other jurisdictions with similar VAT/GST rules in place

- > **Algeria:** VAT rules amended, effective January 1, 2020
- > **Armenia**
- > **Cameroon:** VAT code amended, effective January 1, 2020
- > **Ghana**
- > **Kenya**
- > **Kosovo**
- > **Morocco**
- > **Tanzania**
- > **Uzbekistan:** VAT code amended, effective January 1, 2020

## Jurisdictions set to introduce rules during 2020 & 2021:

Jurisdictions planning rule change in 2020/2021 include:

- > **Costa Rica:** planned introduction date of August 1, 2020
- > **Indonesia:** planned introduction date of August 1, 2020
- > **Ukraine:** planned introduction date of January 1, 2021
- > **Kazakhstan:** planned introduction date of January 1, 2021
- > **Oman:** planned introduction of VAT in early 2021
- > **Thailand:** no definitive implementation date yet
- > **Philippines:** no definitive implementation date yet
- > **Vietnam:** no definitive implementation date yet
- > **British Columbia, Canada:** plans postponed, no new date available
- > **Kuwait**
- > **Qatar**
- > **Uganda**
- > **Mauritius**
- > **Nigeria**

**N.B.:** Above lists correct as of June 2020.

## Jurisdictions reviewing existing legislation:

- > **Canada:** *excluding* Québec and Saskatchewan.
- > **Israel**
- > **Brazil**

For more information visit: <https://blog.taxamo.com/insights/vat-gst-rules-on-digital-sales>

NOTE: The currency conversions used in this document are for indicative purposes only, and should only be used as a guide.

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