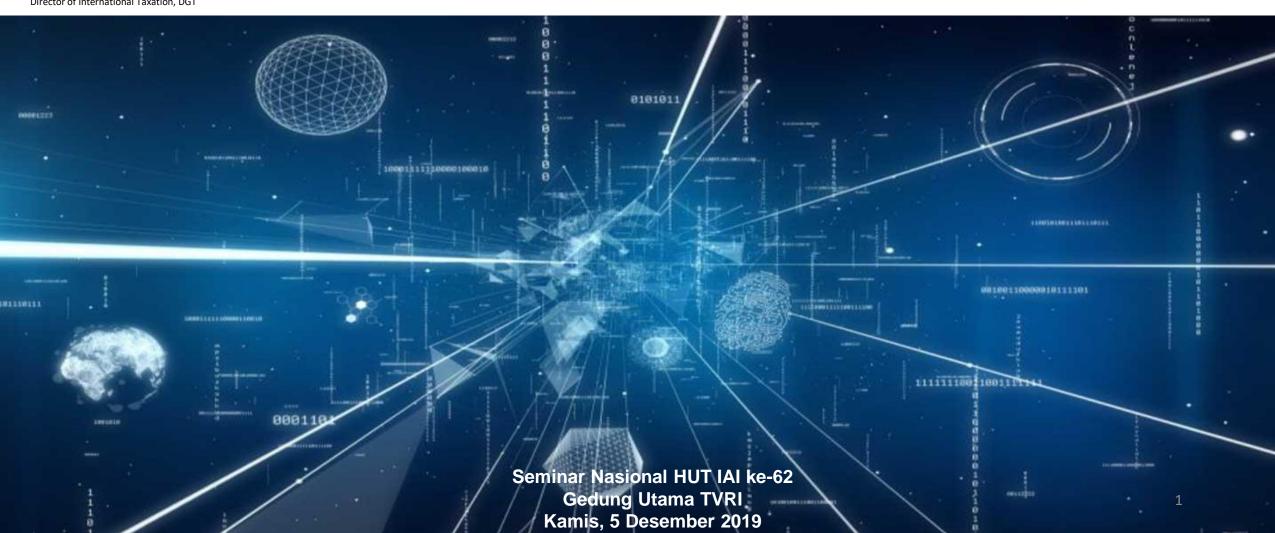


JOHN HUTAGAOL Chairman of KAPj IAI Director of International Taxation, DGT

THE DISRUPTIVE EFFECTS OF ICT AND ITS IMPACT ON GLOBAL TAXATION



Three Characteristics of Highly Digitalised Business Models:

Scale without mass

The ability to have a significant economic presence in a country without a major physical presence.

Reliance on intellectual property

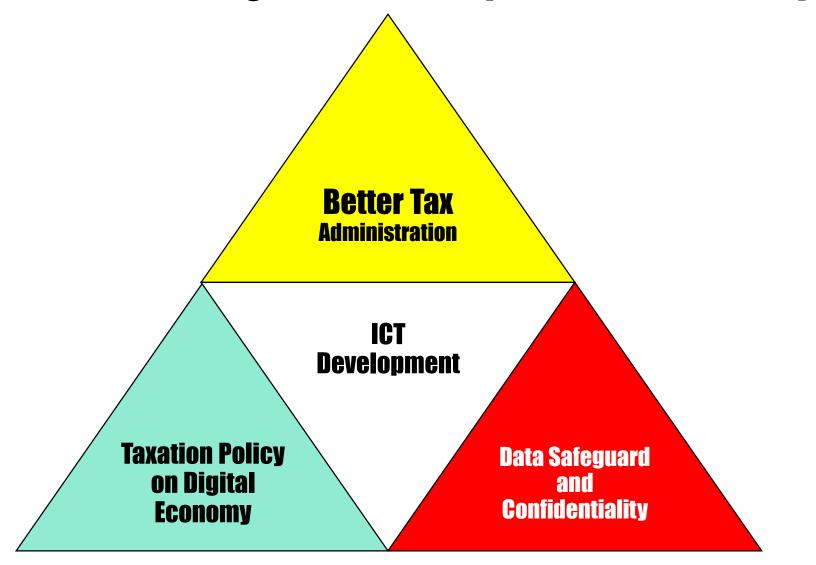
Particularly heavy reliance on intangible assets, including intellectual property.

User participation and the value of data

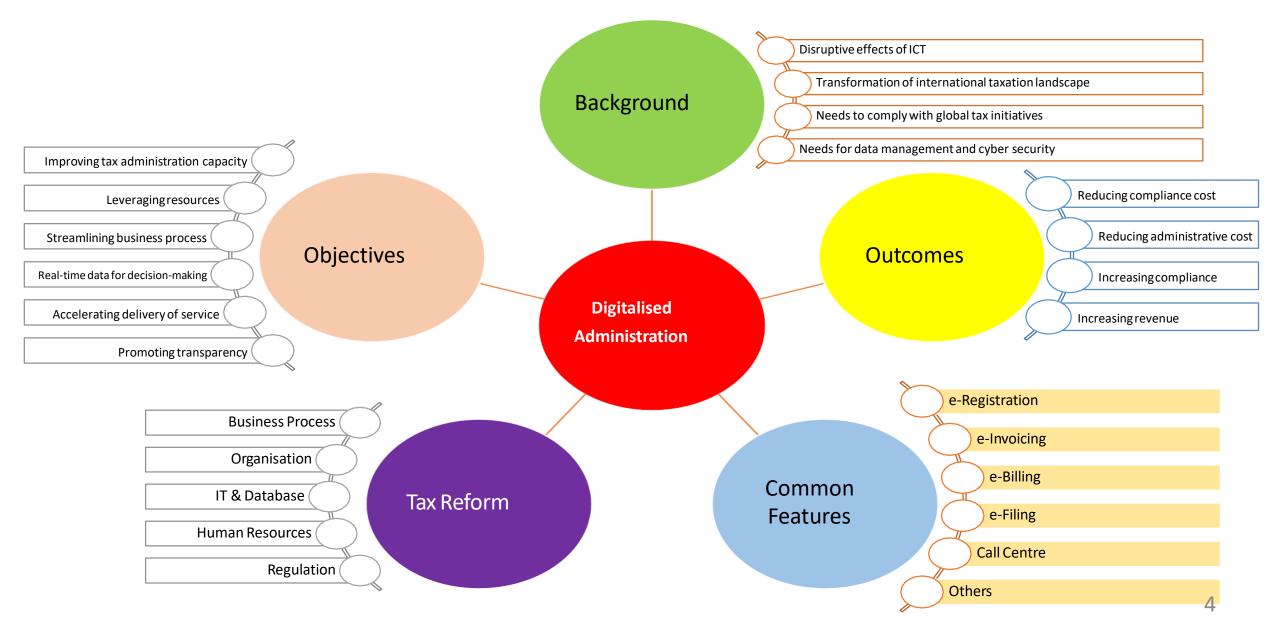
Many newer business models include elements of data, user participation, user-generated content and network effects.

Source: Ernst & Young (2018)

The Current Challenges of ICT Development for Tax Authority



Digital Tax Administration



Fair Share of Taxing Rights

Value-Added Tax

Taxation
Policy on
Digital
Economy

Equalization Levy

Diverted Profit Tax

Digital Service Tax

Others

Aggresive Tax Planning

