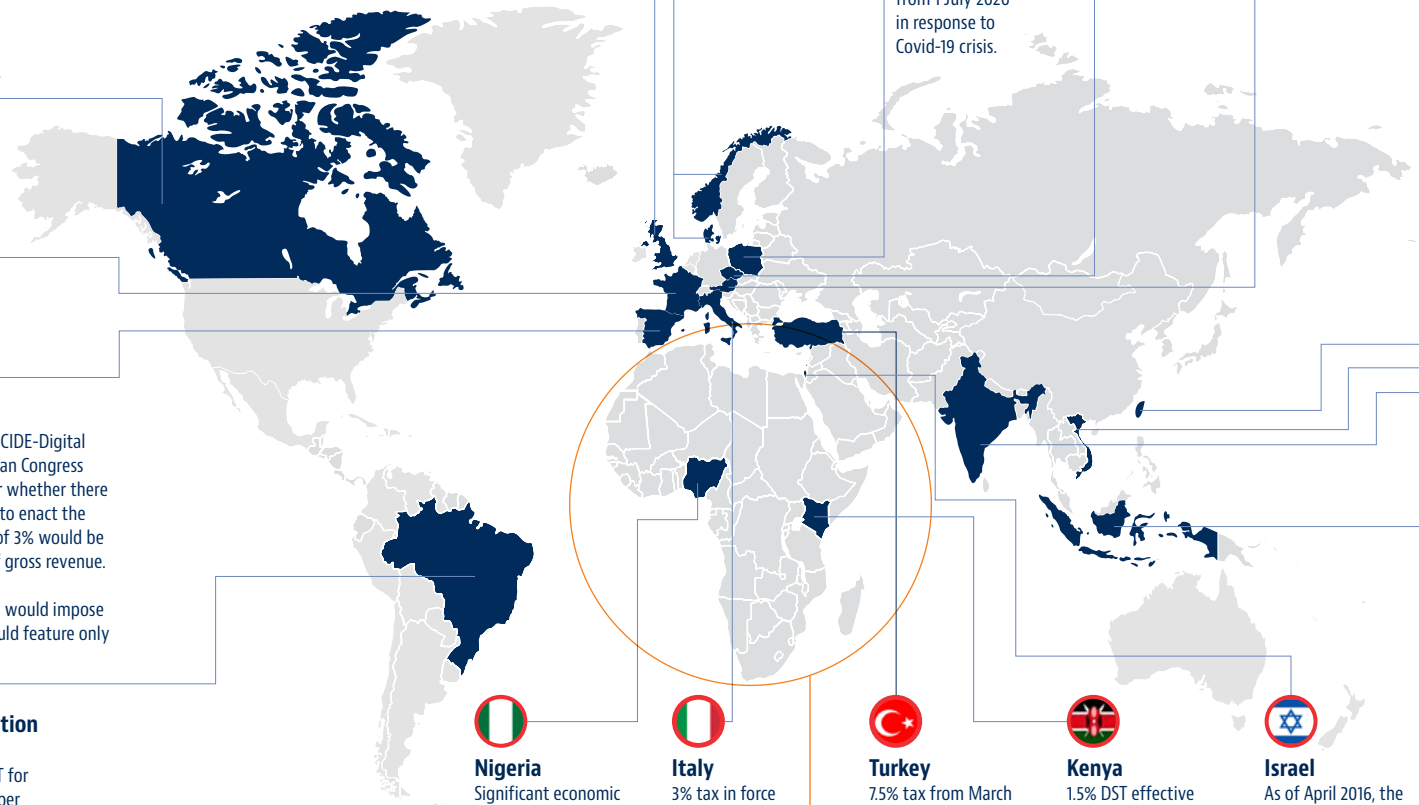
Map of DST and Other Unilateral Direct Tax Measures



Canada
Extension of GST/HST to services and intangible property supplied by non-residents, goods supplied from Canadian warehouses and short-term accommodation, effective 1 July 2021. Proposed DST to take effect by 1 January 2022.

France
3% tax applies from 1 January 2019. Collection of 2020 DST postponed until end of year.

Spain
3% tax to take effect in early 2021.

Brazil
Draft DST bill for progressive CIDE-Digital has been submitted to Brazilian Congress for consideration, it is unclear whether there is sufficient political support to enact the proposal. If accepted, a DST of 3% would be levied depending on levels of gross revenue.

Another proposal, the "CCSD", would impose DST at a flat 3% rate, and would feature only a worldwide threshold.

African Tax Administration Forum (ATAF)
"Suggested Approach" on DST for ATAF Members released October 2020. Features broad scope of digital services and no specific rate, but noted need for high thresholds to protect local SMEs.

United Kingdom
2% tax on UK digital service revenues from 1 April 2020. First payments not due until 2021.

Denmark / Norway
DST if no OECD consensus in 2020.

Poland
Favors a multi-lateral solution but have implemented a 1.5% tax on online streaming/ VoD services effective from 1 July 2020 in response to Covid-19 crisis.

Austria
5% tax on digital ads applies from 1 Jan 2020.

Czech Republic
DST at 5% from January 2021.

Taiwan
30% "deemed profit" from digital supplies for an effective rate of 6% effective from 2017 (or 3% in exceptional circumstances).

Vietnam
10% Foreign Contractor Tax on e-commerce supplies to Vietnamese customers (5% VAT and 5% corporate income tax); includes obligation for nonresidents to register and collect FCT, likely January 1, 2021.

India
From June 1, 2016, India imposes a 6% "equalization levy" on outbound payments to nonresident companies for digital advertising services. From 1 April 2020, 2% equalisation levy for foreign e-commerce operators.

Indonesia
Electronic transaction tax (ETT) with unknown rate and scope adopted as part of emergency COVID regulation in lieu of law ("Perppu") and later ratified by parliament; implementation suspended.

Nigeria
Significant economic presence concept to capture non-resident digital service providers.

Italy
3% tax in force 1 Jan 2020.

Turkey
7.5% tax from March 2020. 15% WHT on advertising services provided by non-residents. "Virtual PE" asserted under reinterpretation of existing rules.

Kenya
1.5% DST effective January 1, 2021.

Israel
As of April 2016, the Israel Tax Authority issued a Circular that arguably reduced the level of physical presence necessary to impose direct tax on remote sales.