

Foundation for International Taxation

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E-Commerce Taxation

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Equalisation Levy

- Government has imposed Equalisation Levy and renewed the term of the Committee to improve upon the existing law.
- Let us discuss how to improve the existing law.
- As a member of the Committee, I cannot say what is being discussed.
- However, I can learn from all of YOU – how to improve the existing law.

Key Issues

1. Burden of Tax & Burden of Compliance should shift to the NR.
2. The NR seller - if he does bear Equalisation Levy; should get tax credit against his COR income-tax.

Payment Gateway

3. How to enforce the law on Non-residents?

Can we involve payment gateways:

Banks, Credit Cards, Pay TM, etc.?

How can they help in Government getting the correct revenue?

What happens to Bit Coin payments?

EL & GST

4. Can EL & GST work together?

5. Can we tax E-Commerce differently from Traditional Commerce?

Amending ITA

6. If a NR E-Commerce Service Provider is taxed in India –
Should it be under Section 5.
Or should it be under Section 9?

PE Or SEP:

What is the Concept of Significant Economic Presence (SEP)?

How can we use the same for Indian ITA? –
Bring it in S.5 or S.9?

Attribution of Profits

7. Assume that the law is amended & NR becomes liable to file return.

How to attribute profits to Indian SEP?

Many Thanks



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