

# Bombay Chartered Accountants' Society

## Expert Chat on

### “Taxation of Digitised Economy under Pillar 1 and Pillar 2 by OECD”

Dear Member,

An overwhelming majority of Inclusive Framework members have agreed on a package that would bring the most significant changes to the international tax rules in over a century. This two-pillar package will ensure that the largest and most profitable companies pay tax where their users and customers are located as well as putting a floor on tax competition by introducing a global minimum corporate tax. This package is the result of intense discussions over the past few years and negotiations from all sides.

Over 130 countries, representing more than 90% of global GDP, joined the Statement establishing a new framework for international tax reform. A small group of the Inclusive Framework's 139 members have not yet joined the Statement at this time. The remaining elements of the framework, including the implementation plan, will be finalised in October 2021.

The Statement is based on a two-pillar package. Pillar One aims to ensure a fairer distribution of profits and taxing rights among countries with respect to the largest MNEs, which are the winners of globalisation. Pillar Two seeks to put a floor on tax competition on corporate income tax through the introduction of a global minimum corporate tax that countries can use to protect their tax bases. The agreement will also bring much needed tax revenue to the nations.

The Expert Chat will make the members aware about the upcoming international taxation regime and address questions in the minds of professionals about this joint global discussion on laying down new principles of taxation, which may be on the lines of :

- How would the two-pillar package make sure that MNEs pay their fair share of tax?
- How much tax are we talking about?
- What will developing countries get out of this deal?
- Is this the end of tax havens?
- Can't countries just tax these companies on their own, like some have tried to do with “digital services taxes or equalisation levy”?

You all are requested to log in to the Expert Chat @ BCAS, to have answers to all of the above and know much more in detail about the OECD/G20 BEPS Project update where CA Hitesh Gajaria will be in a fireside chat with Mr. Akhilesh Ranjan.

**The details of the meeting are as follows:**

<b>Day &amp; Date</b>	Wednesday 4 <sup>th</sup> August 2021
<b>Topic</b>	Taxation of Digitised Economy under Pillar 1 and Pillar 2 by OECD
<b>Expert / Speaker</b>	CA Hitesh Gajaria in fire side chat with Mr. Akhilesh Ranjan.
<b>Venue</b>	Virtual Meeting (Registration Link below) <a href="https://bit.ly/3eEzLwa">https://bit.ly/3eEzLwa</a>
<b>Time</b>	6.15 pm to 7.45 pm

There is no entry fee for this meeting and it is open to all interested in the subject.

We invite you to attend this meeting and benefit from the expert deliberations on the subject.

**Best regards,**

**CA Chirag Doshi / CA Kinjal Shah**

**Hon. Jt. Secretaries**