

PwC submits comment letter in response to OECD consultation paper on the unified approach under Pillar 1

November 15, 2019

In brief

PwC submitted a [comment letter](#) on November 12 regarding the OECD Secretariat's consultation paper on the unified approach under Pillar 1 of the Work Programme on the Tax Challenges of the Digitalisation of the Economy.

It is clear that the OECD/G20 Inclusive Framework's "Programme of Work to Develop a Consensus Solution to the Tax Challenges Arising from the Digitalisation of the Economy" ("Work Programme") entails the most significant reforms of the international tax system in decades, namely a reallocation of taxing rights and the introduction of a global minimum tax. This effort is made even more ambitious and significant because of the aim to produce a final report to the G20 by the end of 2020 — a mere 13 months away. Although we understand the ambitious deadlines from a political perspective, we urge the Inclusive Framework ("IF") to strive for full consensus on all aspects of the Work Programme before seeking final endorsement by the G20. Rules to avoid double taxation, to prevent and resolve conflicts, administrative rules, and ordering rules are instrumental to make the new framework effective and to prevent the chaos the IF envisages if the challenges are not addressed in a multilateral setting. In addition, it is pivotal that the process for both Pillar 1 and Pillar 2 results in minimum standards that are implemented via a binding international public law instrument.

While we appreciate the great deliberations undertaken by the IF in this process, some of the concerns that we have previously expressed remain. We encourage the OECD to look again at these concerns against the backdrop of the firmer unified proposal.

Let's talk

For a deeper discussion of how this issue might affect your business, please contact:

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