

MEETING WITH REPRESENTATIVES OF AMAZON
 Thursday 01 February 2018 11:30 - 12:00

Participants

Amazon: [REDACTED]
 [REDACTED]
 [REDACTED]
 Commission: Pierre Moscovici, Maud Scelo, [REDACTED]

Digital taxation

- [REDACTED] expressed that Amazon is not a typical tech firm, but that it very much depends on physical presence through its employees and significant investments. It has low margins and a high effective tax rate. It has branches in 5 EU Member States and an important role for SMEs which conduct business using Amazon's tools and platforms.
- [REDACTED] explained that the COM was tasked by EU leaders to come up with proposals by this spring but that it listens to the views of the industry. There will be another opportunity to discuss these at the working lunch on 7 March. He also invited Amazon to closely look at the EUCO Summit of March. He emphasized the need to act as the current situation is unfair due to the outdated tax rules, which need to be modernised. There are three layers of work:
 - At global level in collaboration with the OECD,
 - a comprehensive solution at EU level, including via the CCCTB
 - a possible quick fix solution.
- Amazon stated that it was important that quick fix solutions didn't introduce distortions. It welcomed the possibility to tax non-EU residents that operate in Europe. They complained that a digital tax would equal to a "second VAT" and mentioned that their effective tax rate range between 30 – 38% globally. So any reform would not be conducive to growth. (for ex. we would hit more [REDACTED])

VAT reforms

- [REDACTED] and [REDACTED] gave a short state-of-play on VAT reforms: following the Commission proposal for a definitive regime, detailed technical provisions will be adopted before summer. On VAT e-commerce, there will be discussions with both MSs and stakeholders on the relevant implementing measures, including on the specific provisions for marketplaces and platforms. The COM has also adopted a proposal that introduced more flexibility on reduced VAT rates.
- Amazon is an important partner in ensuring VAT compliance. Difficulties to comply with VAT regulations is a key obstacle for smaller businesses. They would welcome an extended use of the mini-one stop shop.