

INTERNATIONAL COMPARISON

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What's in this issue: E-commerce. Income Tax

Antea International Comparison is a quarterly publication that provides you an overview of trends and international tax developments by comparing tax issues in different legislations around the world, that may affect those doing business in multiple locations.

Constant legislative, regulatory, and judicial changes, along with globalization, economic shifts, and operational adjustments, are challenging issues. Now more than ever, in an increasingly globalized world, companies must have a total perspective and awareness of tax issues, and this publication aims to cover key tax topics which should be of interest to businesses operating internationally.

This edition includes numerous country focus pieces, in which it is analyzed; e-commerce classified as delivery of goods and e-commerce classified as service, and the seller's responsibility in each case for tax returns.

We hope you that you find this publication helpful.

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E-commerce. Income Tax

1. Classification of electronic commerce as delivery of goods - Seller's responsibility for tax return

Initial example: A domestic company or a natural person (The consumer) in your country orders goods online from a company located in a country with or without a double taxation treaty. The goods ordered online will be delivered directly to the customer. The foreign company (The seller) is responsible for the transport.

The main questions arising: What are the income tax obligation in your country for the foreign company (The seller).

2. Classification of e-commerce as service (Or other services) - Seller's responsibility for tax return

Initial example: A domestic company or a natural person in your country (The consumer) downloads music from the website of a company, or request translation services or copywriting, located in a country with or without a double taxation treaty. The services ordered do not reach the customer physically, but electronically.

The main questions arising, If there is any difference from good: What are the income tax obligation in your country for the foreign company (The seller).



Argentina

1. Classification of electronic commerce as delivery of goods - Seller's responsibility for tax return

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	Foreign residents who produce commercial income in Argentina have to be taxed in Argentina.	Foreign residents who produce commercial income in Argentina have to be taxed in Argentina.
Where is the place the income is produced, in accordance with the local law	In the country of destination: Argentina	In the country of destination: Argentina
Where is the place the income is produced, in accordance with the local law	Impuesto local según la ley Argentina. (De conformidad con las disposiciones de cada convenio suscripto por Argentina).	Local tax according to Argentine law.
Tax liability over the returns, if the foreign company has permanent establishment	The tax is paid in accordance with double taxation treaty. (In most cases will not pay tax return, it should be analyzed each particular case).	Local tax in accordance with the Argentine law, withholding tax as a definitive and only payment. Effective rate of withholding tax returns 31.50%. Rate of Withholding VAT is 21%
Tax liability over the returns, if the foreign company has not permanent establishment	Withholding of taxes in accordance with Argentine law. (In accordance with the provisions of each treaty).	Withholding of taxes in accordance with local law, according to regime local suppliers
Withholding tax obligation, if the foreign company has not permanent establishment	According to double tax treaty.	Withholding taxes in accordance with local law, applies the regime of Beneficiaries from abroad being the effective rate to be applied of 31.50%. VAT rate of withholding is 21%.
Notes	Regulations concerning business to business transactions (B2B): Customers, have the obligation to check the withholding tax liability of the seller. In business to consumer transactions (B2C): Customers, B2B, have not obligation to check the withholding tax liability of the seller.	Regulations concerning business to business transactions (B2B): Customers, have the obligation to check the withholding tax liability of the seller. In business to consumer transactions (B2C): Customers, B2B, have not obligation to check the withholding tax liability of the seller.



Argentina

2. Classification of e-commerce as service (Or other services) - Seller's responsibility for tax return

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	Foreign residents who produce or accumulate income in Argentina have to tax it in Argentina.	Foreign residents who produce or accumulate commercial income in Argentina have to tax it in Argentina.
Where is the place the income is produced, in accordance with the local law	In the country of destination: Argentina	In the country of destination: Argentina
Tax liability over the returns, if the foreign company has permanent establishment	Local tax according to Argentine law. (In accordance with the provisions of each treaty).	Local tax according to Argentine law.
Tax liability over the returns, if the foreign company has not permanent establishment	Tax return is paid in accordance with the double taxation treaty. (In most cases will not pay income tax, it should be analyzed each particular case).	Local tax in accordance with the Argentine law, withholding tax as a definitive and only payment. Effective rate of withholding tax returns 31.50%. Rate of Withholding VAT is 21%
Withholding tax obligation, if the foreign company has permanent establishment	Withholding of taxes in accordance with Argentine law. (In accordance with the provisions of each treaty).	Withholding taxes in accordance with local law, according to the retention regime of local suppliers
Withholding tax obligation, if the foreign company has no permanent establishment	According to double tax treaty.	Withholding taxes in accordance with local law, applies the regime of Beneficiaries from abroad being the effective rate to be applied of 31.50%. VAT rate of withholding is 21%.
Notes	Regulations concerning business to business transactions (B2B): Customers, have the obligation to check the withholding tax liability of the seller. In business to consumer transactions (B2C): Customers, B2B, have not obligation to check the withholding tax liability of the seller.	Regulations concerning business to business transactions (B2B): Customers, have the obligation to check the withholding tax liability of the seller. In business to consumer transactions (B2C): Customers, B2B, have not obligation to check the withholding tax liability of the seller.



Austria

1. Classification of electronic commerce as delivery of goods - Seller's responsibility for tax return

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	Foreign resident which produce or accrue business income in Austria, are taxable in Austria if this income is attributable to a permanent establishment or a fixed place of business regarding the delivery of goods.	Foreign resident which produce or accrue business income in Austria, are taxable in Austria if this income is attributable to a permanent establishment or a fixed place of business regarding the delivery of goods.
Where is the place the income is produced, in accordance with the local law	Regarding limited tax liability there is certain mentioned income that is taxable in Austria.	Regarding limited tax liability there is certain mentioned income that is taxable in Austria.
Income tax obligation, if the foreign company has permanent establishment	Local tax according to Austrian law. (In accordance with the provisions of each convention).	Local tax according to Austrian law.
Income tax obligation, if the foreign company has no permanent establishment	There is no taxation in Austria for the delivery of goods, if no permanent establishment exists.	There is no taxation in Austria for the delivery of goods, if no permanent establishment exists. There might be Austrian taxation of other kinds of business done in Austria even if there is no permanent establishment.
Withholding tax obligation, if the foreign company has permanent establishment	There is no withholding tax. The seller has to file an income tax declaration.	There is no withholding tax. The seller has to file an income tax declaration.
Withholding tax obligation, if the foreign company has no permanent establishment	There is no withholding tax regarding the delivery of goods.	There is no withholding tax regarding the delivery of goods.



Austria

2. Classification of e-commerce as service (Or other services) - Seller's responsibility for tax return

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	Foreign resident which produce or accrue business income in Austria, are taxable in Austria if this income is attributable to a permanent establishment or a fixed place of business regarding the above mentioned services. Regarding commercial or technical consultancy the income is taxable without a permanent establishment.	Foreign resident which produce or accrue business income in Austria, are taxable in Austria if this income is attributable to a permanent establishment or a fixed place of business regarding the above mentioned services. Regarding commercial or technical services the income is taxable without a permanent establishment.
Where is the place the income is produced, in accordance with the local law	In most cases, services provided outside of Austria are not taxable in Austria with the exception of independent personal services, these are taxable if the service is commercialized in Austria as well as the above mentioned commercial or technical consultancy.	In most cases, services provided outside of Austria are not taxable in Austria with the exception of independent personal services, these are taxable if the service is commercialized in Austria as well as the above mentioned commercial or technical consultancy.
Income tax obligation, if the foreign company has permanent establishment	Local tax according to Austrian law. (In accordance with the provisions of each convention).	Local tax according to Austrian law.
Income tax obligation, if the foreign company has no permanent establishment	There is no taxation if the business is not performed through a permanent establishment or a fixed place of business.	Limited tax liability regarding independent personal services commercialized in Austria as well as commercial and technical consultancy.
Withholding tax obligation, if the foreign company has permanent establishment	There is no withholding tax. The seller has to file an income tax declaration.	There is no withholding tax. The seller has to file an income tax declaration.
Withholding tax obligation, if the foreign company has no permanent establishment	There is only withholding tax regarding technical or commercial consultancy and certain especially listed other independent personal service. This withholding tax is paid back by the tax administration or has not to be withheld if the seller provides a declaration for the purpose of tax treaty relief at source.	There is only withholding tax regarding technical or commercial consultancy and certain especially listed other independent personal service.
Notes	The customer has the obligation to check the withholding tax liability of the seller.	The customer has the obligation to check the withholding tax liability of the seller.

Cyprus

1. Classification of e-commerce as delivery of goods - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	Resident companies and individuals are taxed on their worldwide income in Cyprus. Non-residents companies are taxed on profits of a permanent establishment in Cyprus, rental income on immovable property in Cyprus, goodwill for Cyprus business and royalties (depending on the double tax treaty). Non-resident individuals are taxed on employment income for services in Cyprus, pensions received in Cyprus, directors' fees, rental income on immovable property in Cyprus, royalties and fees paid to professionals.	Resident companies and individuals are taxed on their worldwide income in Cyprus. Non-residents companies are taxed on profits of a permanent establishment in Cyprus, rental income on immovable property in Cyprus, goodwill for Cyprus business and royalties (depending on the double tax treaty). Non-resident individuals are taxed on employment income for services in Cyprus, pensions received in Cyprus, directors' fees, rental income on immovable property in Cyprus, royalties and fees paid to professionals.
Where is the place the income is produced, in accordance with the local law	In the country where the income is generated	In the country where the income is generated
Income tax obligation, if the foreign company has permanent establishment	Profit from a permanent establishment in Cyprus is taxable in Cyprus less double tax relief. The taxable profit of the permanent establishment will be calculated according to Cyprus tax law.	Profit from a permanent establishment in Cyprus is taxable in Cyprus less double tax relief given unilaterally. The taxable profit of the permanent establishment will be calculated according to Cyprus tax law.
Income tax obligation, if the foreign company has no permanent establishment	No tax obligation in Cyprus, provided that there is no immovable property in Cyprus	No tax obligation in Cyprus, provided that there is no immovable property in Cyprus
Withholding tax obligation, if the foreign company has permanent establishment	Self-assessment - Corporation tax at 12.5% less double tax relief (credit relief)	Self-assessment - Corporation tax at 12.5% less double tax relief (unilateral relief)
Withholding tax obligation, if the foreign company has no permanent establishment	No withholding tax obligation	No withholding tax obligation



Cyprus

2. Classification of e-commerce as service (Or other services) - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	Resident companies and individuals are taxed on their worldwide income in Cyprus. Non-residents companies are taxed on profits of a permanent establishment in Cyprus, rental income on immovable property in Cyprus, goodwill for Cyprus business and royalties (depending on the double tax treaty). Non-resident individuals are taxed on employment income for services in Cyprus, pensions received in Cyprus, directors' fees, rental income on immovable property in Cyprus, royalties and fees paid to professionals.	Resident companies and individuals are taxed on their worldwide income in Cyprus. Non-residents companies are taxed on profits of a permanent establishment in Cyprus, rental income on immovable property in Cyprus, goodwill for Cyprus business and royalties (depending on the double tax treaty). Non-resident individuals are taxed on employment income for services in Cyprus, pensions received in Cyprus, directors' fees, rental income on immovable property in Cyprus, royalties and fees paid to professionals.
Where is the place the income is produced, in accordance with the local law	In the country where the income is generated	In the country where the income is generated
Income tax obligation, if the foreign company has permanent establishment	Profit from a permanent establishment in Cyprus is taxable in Cyprus less double tax relief. The taxable profit of the permanent establishment will be calculated according to Cyprus tax law.	Profit from a permanent establishment in Cyprus is taxable in Cyprus less double tax relief given unilaterally. The taxable profit of the permanent establishment will be calculated according to Cyprus tax law.
Income tax obligation, if the foreign company has no permanent establishment	No tax obligation in Cyprus, provided that there is no immovable property in Cyprus	No tax obligation in Cyprus, provided that there is no immovable property in Cyprus
Withholding tax obligation, if the foreign company has permanent establishment	Self-assessment - Corporation tax at 12.5% less double tax relief (credit relief)	Self-assessment - Corporation tax at 12.5% less double tax relief (unilateral relief)
Withholding tax obligation, if the foreign company has no permanent establishment	No withholding tax obligation	No withholding tax obligation



Ecuador

1. Classification of e-commerce as delivery of goods - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	According to the double tax treaty (DTT).	If a foreign resident carries out business activity in Ecuador in non-occasional basis and is paid through an Ecuadorian entity (or foreign entity domiciled in Ecuador) or a governmental agency, the resident's income should be considered an Ecuadorian-source income, therefore it should be subject to taxation.
Where is the place the income is produced, in accordance with the local law	According to DTT.	All individuals and entities domiciled in Ecuador, are considered as taxable persons regarding their income generated in Ecuador or abroad. Non-domiciled individuals or entities are subject to Income Tax (IT) solely over Ecuadorian-source income (detailed above).
Income tax obligation, if the foreign company has permanent establishment	Please note, that there are recent modifications to Ecuadorian tax law indicating that lower withholding rates established in DTTs can be applied directly by taxpayers. However, this favorable withholdings can be directly applied up to USD 225.800,00. If this threshold is met a 22% withholding rate is applicable, and the foreign entity can introduce a refund request before the Ecuadorian Tax Authority.	Permanent establishments are subject to IT for their Ecuadorian-source income and are obliged to comply with all formal tax obligations (i.e. submitting tax returns and information forms).
Income tax obligation, if the foreign company has no permanent establishment	Please note, that there are recent modifications to Ecuadorian tax law indicating that lower withholding rates established in DTTs can be applied directly by taxpayers. However, this favorable withholdings can be directly applied up to USD 225.800,00. If this threshold is met a 22% withholding rate is applicable, and the foreign entity can introduce a refund request before the Ecuadorian Tax Authority.	Foreign entities have no IT obligations, since the IT withholdings and withholding proofs should be performed/issued by the domiciled party (individual obliged to keep accounting records or entity).



Ecuador

Withholding tax obligation, if the foreign company has permanent establishment	According to DTT.	If the foreign entity has a permanent establishment in Ecuador, it should be subject to withholdings applicable for local entities. It is important to consider, that local payments are subject to a 2% general withholding rate. Please note that only individuals required to keep accounting records and companies are obliged to perform withholdings.
Withholding tax obligation, if the foreign company has no permanent establishment	According to DTT.	Entities and taxpayers obliged to keep accounting records should perform withholdings to payments made abroad. The general withholding rate for payments made abroad is 22%.

2. Classification of e-commerce as service (Or other services) - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	According to DTT.	The source of the income should be the jurisdiction where the services were actually rendered.
Where is the place the income is produced, in accordance with the local law	According to DTT.	The place where the services were rendered.
Income tax obligation, if the foreign company has permanent establishment	Please note, that there are recent modifications to Ecuadorian tax law indicating that lower withholding rates established in DTTs can be applied directly by taxpayers. However, this favorable withholdings can be directly applied up to USD 225.800,00. If this threshold is met a 22% withholding rate is applicable, and the foreign entity can introduce a refund request before the Ecuadorian Tax Authority.	Permanent establishments are subject to IT for their Ecuadorian-source income and are obliged to comply with all formal tax obligations (i.e. submitting tax returns and information forms).



Ecuador

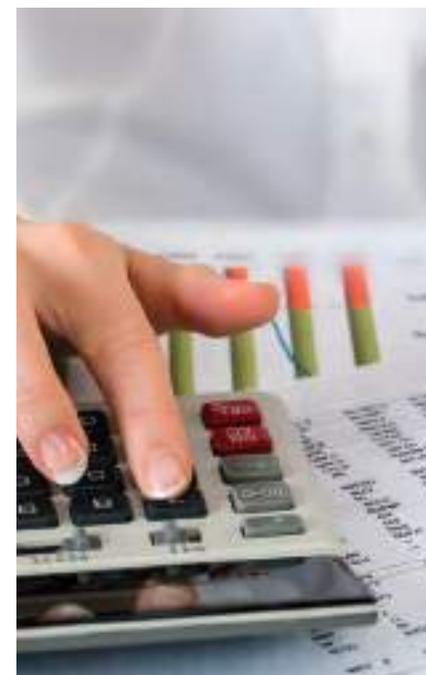
<p>Income tax obligation, if the foreign company has no permanent establishment</p>	<p>Please note, that there are recent modifications to Ecuadorian tax law indicating that lower withholding rates established in DTTs can be applied directly by taxpayers. However, this favorable withholdings can be directly applied up to USD 225.800,00. If this threshold is met a 22% withholding rate is applicable, and the foreign entity can introduce a refund request before the Ecuadorian Tax Authority.</p>	<p>Foreign entities have no IT obligations, since the It withholdings and withholding proofs should performed/issued by the domiciled party (individual obliged to keep accounting records or entity).</p>
<p>Withholding tax obligation, if the foreign company has permanent establishment</p>	<p>According to the double tax treaty.</p>	<p>If the foreign entity has a permanent establishment in Ecuador, it should be subject to withholdings applicable for local entities. It is important to consider, that local payments are subject to a 2% general withholding rate. Please note that only individuals required to keep accounting records and companies are obliged to perform withholdings.</p>
<p>Withholding tax obligation, if the foreign company has no permanent establishment</p>	<p>According to the double tax treaty.</p>	<p>Entities and taxpayers obliged to keep accounting records should perform withholdings to payments made abroad. The general withholding rate for payments made abroad is 22%.</p>



Egypt

1. Classification of e-commerce as delivery of goods - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	Foreign resident which produce or accrue business income in Egypt, are taxable in Egypt.	Foreign resident which produce or accrue business income in Egypt, are taxable in Egypt.
Where is the place the income is produced, in accordance with the local law	In the country of destination: Egypt "In respect of business income, the place where the income yielding activity takes place". (In most cases, if the sale is made in Egypt, it is an indication that the income was generated in Egypt).	In the country of destination: Egypt "In respect of business income, the place where the income yielding activity takes place". (In most cases, if the sale is made in Egypt, it is an indication that the income was generated in Egypt).
Income tax obligation, if the foreign company has permanent establishment	Local tax according to Egypt law. (In accordance with the provisions of each convention).	Local tax according to Egypt law.
Income tax obligation, if the foreign company has no permanent establishment	Tax is paid according to the double tax treaty. (In most cases will not pay income tax).	Local tax according to Egypt law (In some cases there is no tax liability or a one-time tax liability).
Withholding tax obligation, if the foreign company has permanent establishment	Withholding tax according to Egypt law. (In accordance with the provisions of each convention).	Withholding tax according to local law.
Withholding tax obligation, if the foreign company has no permanent establishment	According to the double tax treaty.	Withholding tax according to local law.
Notes	Regulations concerning business to business transactions (B2B): The consumer, has the obligation to check the withholding tax liability of the seller. In business to consumer transactions (B2C): The consumer, B2B, has no obligation the check the withholding tax liability of the seller.	Regulations concerning business to business transactions (B2B): The consumer, has the obligation to check the withholding tax liability of the seller. In business to consumer transactions (B2C): The consumer, B2B, has no obligation the check the withholding tax liability of the seller.



Egypt

2. Classification of e-commerce as service (Or other services) - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	Foreign resident who provide services which produce or accrue business income in Egypt, are taxable in Egypt.	Foreign resident who provide services which produce or accrue business income in Egypt, are taxable in Egypt.
Where is the place the income is produced, in accordance with the local law	In most cases, services provided outside of Egypt and not related to a specific asset in Egypt are not considered services produced or incurred in Egypt.	In most cases, services provided outside of Egypt and not related to a specific asset in Egypt are not considered services produced or incurred in Egypt.
Income tax obligation, if the foreign company has permanent establishment	Local tax according to Egypt law, for the part of the service provided in Egypt. (In accordance with the provisions of each convention).	Local tax according to Egypt law, for the part of the service provided in Egypt.
Income tax obligation, if the foreign company has no permanent establishment	Tax is paid according to the double tax treaty. (In most cases will not pay income tax).	Local tax according to Egypt law (In some cases there is no tax liability or a one-time tax liability), for the part of the service provided in Egypt.
Withholding tax obligation, if the foreign company has permanent establishment	Withholding tax according to Egypt law. (In accordance with the provisions of each convention and only for the part of the service provided in Egypt).	Withholding tax according to local law (Only for the part of the service provided in Egypt).
Withholding tax obligation, if the foreign company has no permanent establishment	According to the double tax treaty (Only for the part of the service provided in Egypt).	Withholding tax according to local law (Only for the part of the service provided in Egypt).
Notes	Regulations concerning business to business transactions (B2B): The consumer, has the obligation to check the withholding tax liability of the seller. In business to consumer transactions (B2C): The consumer, B2B, has no obligation the check the withholding tax liability of the seller.	Regulations concerning business to business transactions (B2B): The consumer, has the obligation to check the withholding tax liability of the seller. In business to consumer transactions (B2C): The consumer, B2B, has no obligation the check the withholding tax liability of the seller.



Germany

1. Classification of e-commerce as delivery of goods - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	Source of Income for business activity is the foreign country.	Source of Income for business activity is the foreign country.
Where is the place the income is produced, in accordance with the local law	In the country of the seller.	In the country of the seller.
Income tax obligation, if the foreign company has permanent establishment	Tax is paid according to the double tax treaty (In most cases they will pay income tax in Germany).	In Germany.
Income tax obligation, if the foreign company has no permanent establishment	Tax is paid according to the double tax treaty (In most cases no income tax in Germany).	Generally no income tax (exception for licenses or immaterial rights)
Withholding tax obligation, if the foreign company has permanent establishment	No. Tax rate = normal progressive tax rate (exception: withholding tax for royalties).	The same.
Withholding tax obligation, if the foreign company has no permanent establishment	No difference.	No difference.



Germany

2. Classification of e-commerce as service (Or other services) - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	It depends on the double taxation treaty: Always taxable in Germany, when a permanent establishment is existing. Self-employed foreign residents who provide services performed in Germany may be taxable in Germany, depending on the double taxation treaty.	Always taxable, when a branch is located in Germany. Foreign self-employed residents who provide services in Germany, are taxable in Germany. Services may be also taxable in Germany, when their outcome is exploited in Germany.
Where is the place the income is produced, in accordance with the local law	Generally outside of Germany.	Generally outside of Germany.
Income tax obligation, if the foreign company has permanent establishment	Tax declaration must be filed.	Tax declaration must be filed.
Income tax obligation, if the foreign company has no permanent establishment	Generally no tax obligation.	Generally no tax obligation.
Withholding tax obligation, if the foreign company has permanent establishment	Generally no withholding tax (exception some royalties for licenses).	Generally no withholding tax, exception some royalties for licenses)
Withholding tax obligation, if the foreign company has no permanent establishment	Generally no withholding tax (exception some royalties for licenses).	Generally no withholding tax, exception some royalties for licenses)



Greece

1. Classification of e-commerce as delivery of goods - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	A foreign resident which generates business income in Greece is taxable in Greece.	A foreign resident which generates business income in Greece is taxable in Greece.
Where is the place the income is produced, in accordance with the local law	In the country of destination: Greece "In respect of business income, the place where the income yielding activity takes place". (In most cases, if the sale is made in Greece, it is an indication that the income was generated in Greece).	In the country of destination: Greece "In respect of business income, the place where the income yielding activity takes place". (In most cases, if the sale is made in Greece, it is an indication that the income was generated in Greece).
Income tax obligation, if the foreign company has permanent establishment	Local tax according to Greek law. (In accordance with the provisions of each convention).	Local tax according to Greek law.
Income tax obligation, if the foreign company has no permanent establishment	Tax is paid according to the double tax treaty. (In most cases there will be no income tax).	Local tax according to Greek law (In some cases there is no tax liability or a one-time tax liability).
Withholding tax obligation, if the foreign company has permanent establishment	Withholding tax according to Greek law. (In accordance with the provisions of each convention).	Withholding tax according to local law.
Withholding tax obligation, if the foreign company has no permanent establishment	According to the double tax treaty.	Withholding tax according to local law.
Notes	Regulations concerning business to business transactions (B2B): The consumer has the obligation to check the withholding tax liability of the seller. In business to consumer transactions (B2C): The consumer has no obligation to check the withholding tax liability of the seller.	Regulations concerning business to business transactions (B2B): The consumer has the obligation to check the withholding tax liability of the seller. In business to consumer transactions (B2C): The consumer has no obligation to check the withholding tax liability of the seller.



Greece

2. Classification of e-commerce as service (Or other services) - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	Foreign resident providing services which generate business income in Greece, taxable in Greece.	Foreign resident providing services which generate business income in Greece, taxable in Greece.
Where is the place the income is produced, in accordance with the local law	In most cases, services provided outside of Greece and not related to a specific asset in Greece are not considered to be services produced or incurred in Greece.	In most cases, services provided outside of Greece and not related to a specific asset in Greece are not considered to be services produced or incurred in Greece.
Income tax obligation, if the foreign company has permanent establishment	Local tax according to Greek law, for the part of the service provided in Greece. (In accordance with the provisions of each convention).	Local tax according to Greek law, for the part of the service provided in Greece.
Income tax obligation, if the foreign company has no permanent establishment	Tax is paid according to the double tax treaty. (In most cases there will be no income tax).	Local tax according to Greek law (In some cases there is no tax liability or a one-time tax liability), for the part of the service provided in Greece.
Withholding tax obligation, if the foreign company has permanent establishment	Withholding tax according to Greece law. (In accordance with the provisions of each convention and only for the part of the service provided in Greece).	Withholding tax according to local law (Only for the part of the service provided in Greece).
Withholding tax obligation, if the foreign company has no permanent establishment	According to the double tax treaty.	Withholding tax according to local law.
Notes	Regulations concerning business to business transactions (B2B): The consumer has the obligation to check the withholding tax liability of the seller. In business to consumer transactions (B2C): The consumer has no obligation the check the withholding tax liability of the seller.	Regulations concerning business to business transactions (B2B): The consumer, has the obligation to check the withholding tax liability of the seller. In business to consumer transactions (B2C): The consumer has no obligation the check the withholding tax liability of the seller.



Israel

1. Classification of e-commerce as delivery of goods - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	Foreign resident which produce or accrue business income in Israel, are taxable in Israel.	Foreign resident which produce or accrue business income in Israel, are taxable in Israel.
Where is the place the income is produced, in accordance with the local law	In the country of destination: Israel "In respect of business income, the place where the income yielding activity takes place". (In most cases, if the sale is made in Israel, it is an indication that the income was generated in Israel).	In the country of destination: Israel "In respect of business income, the place where the income yielding activity takes place". (In most cases, if the sale is made in Israel, it is an indication that the income was generated in Israel).
Income tax obligation, if the foreign company has permanent establishment	Local tax according to Israeli law. (In accordance with the provisions of each convention).	Local tax according to Israeli law.
Income tax obligation, if the foreign company has no permanent establishment	Tax is paid according to the double tax treaty. (In most cases will not pay income tax).	Local tax according to Israeli law (In some cases there is no tax liability or a one-time tax liability).
Withholding tax obligation, if the foreign company has permanent establishment	Withholding tax according to Israeli law. (In accordance with the provisions of each convention).	Withholding tax according to local law.
Withholding tax obligation, if the foreign company has no permanent establishment	According to the double tax treaty.	Withholding tax according to local law.
Notes	Regulations concerning business to business transactions (B2B): The consumer, has the obligation to check the withholding tax liability of the seller. In business to consumer transactions (B2C): The consumer, B2B, has no obligation the check the withholding tax liability of the seller.	Regulations concerning business to business transactions (B2B): The consumer, has the obligation to check the withholding tax liability of the seller. In business to consumer transactions (B2C): The consumer, B2B, has no obligation the check the withholding tax liability of the seller.



Israel

2. Classification of e-commerce as service (Or other services) - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	Foreign resident who provide services which produce or accrue business income in Israel, are taxable in Israel.	Foreign resident who provide services which produce or accrue business income in Israel, are taxable in Israel.
Where is the place the income is produced, in accordance with the local law	In most cases, services provided outside of Israel and not related to a specific asset in Israel are not considered services produced or incurred in Israel.	In most cases, services provided outside of Israel and not related to a specific asset in Israel are not considered services produced or incurred in Israel.
Income tax obligation, if the foreign company has permanent establishment	Local tax according to Israeli law, for the part of the service provided in Israel. (In accordance with the provisions of each convention).	Local tax according to Israeli law, for the part of the service provided in Israel.
Income tax obligation, if the foreign company has no permanent establishment	Tax is paid according to the double tax treaty. (In most cases will not pay income tax).	Local tax according to Israeli law (In some cases there is no tax liability or a one-time tax liability), for the part of the service provided in Israel.
Withholding tax obligation, if the foreign company has permanent establishment	Withholding tax according to Israeli law. (In accordance with the provisions of each convention and only for the part of the service provided in Israel).	Withholding tax according to local law (Only for the part of the service provided in Israel).
Withholding tax obligation, if the foreign company has no permanent establishment	According to the double tax treaty (Only for the part of the service provided in Israel).	Withholding tax according to local law (Only for the part of the service provided in Israel).
Notes	Regulations concerning business to business transactions (B2B): The consumer, has the obligation to check the withholding tax liability of the seller. In business to consumer transactions (B2C): The consumer, B2B, has no obligation the check the withholding tax liability of the seller.	Regulations concerning business to business transactions (B2B): The consumer, has the obligation to check the withholding tax liability of the seller. In business to consumer transactions (B2C): The consumer, B2B, has no obligation the check the withholding tax liability of the seller.



Malta

1. Classification of e-commerce as delivery of goods - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	If the Foreign company, is creating a Permanent Establishment through its business activities with or / in Malta, then it is taxable in Malta. If no Permanent Establishment is being created, then the Foreign company is not taxable in Malta.	If the Foreign company, is creating a Permanent Establishment through its business activities with or / in Malta, then it is taxable in Malta. If no Permanent Establishment is being created, then the Foreign company is not taxable in Malta.
Where is the place the income is produced, in accordance with the local law	In the country of destination: Malta If it is through a Permanent Establishment, then it is Malta. If not then it is in the country that the Foreign company is established.	In the country of destination: Malta If it is through a Permanent Establishment, then it is Malta. If not then it is in the country that the Foreign company is established.
Income tax obligation, if the foreign company has permanent establishment	Local tax according to Malta law. (In accordance with the provisions of each convention).	Local tax according to Maltese law.
Income tax obligation, if the foreign company has no permanent establishment	It will not pay taxes in Malta, but in the foreign company's jurisdiction.	It will not pay taxes in Malta, but in the foreign company's jurisdiction.
Withholding tax obligation, if the foreign company has permanent establishment	No Withholding tax, but normal income tax on profits generated in Malta through the Permanent Establishment.	No Withholding tax, but normal income tax on profits generated in Malta through the Permanent Establishment.
Withholding tax obligation, if the foreign company has no permanent establishment	No Withholding tax.	No Withholding tax.



Malta

2. Classification of e-commerce as service (Or other services) - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	If the Foreign company, is creating a Permanent Establishment through its business activities with or / in Malta, then it is taxable in Malta. If no Permanent Establishment is being created, then the Foreign company is not taxable in Malta.	If the Foreign company, is creating a Permanent Establishment through its business activities with or / in Malta, then it is taxable in Malta. If no Permanent Establishment is being created, then the Foreign company is not taxable in Malta.
Where is the place the income is produced, in accordance with the local law	In the country of destination: Malta If it is through a Permanent Establishment, then it is Malta. If not then it is in the country that the Foreign company is established	In the country of destination: Malta If it is through a Permanent Establishment, then it is Malta. If not then it is in the country that the Foreign company is established.
Income tax obligation, if the foreign company has permanent establishment	Local tax according to Malta law. (In accordance with the provisions of each convention).	Local tax according to Maltese law.
Income tax obligation, if the foreign company has no permanent establishment	It will not pay taxes in Malta, but in the foreign company's jurisdiction.	It will not pay taxes in Malta, but in the foreign company's jurisdiction.
Withholding tax obligation, if the foreign company has permanent establishment	No Withholding tax, but normal income tax on profits generated in Malta through the Permanent Establishment.	No Withholding tax, but normal income tax on profits generated in Malta through the Permanent Establishment.
Withholding tax obligation, if the foreign company has no permanent establishment	No Withholding tax.	No Withholding tax.



Mexico

1. Classification of e-commerce as delivery of goods - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	Foreign residents may be taxed in Mexico if the produce or accrue business income in México.	Foreign residents may be taxed in Mexico if the produce or accrue business income in México.
Where is the place the income is produced, in accordance with the local law	In the country of destination: México	In the country of destination: Mexico
Income tax obligation, if the foreign company has permanent establishment	Local tax according to Mexican law. "Any place of business in which entrepreneurial activities are conducted". Electronic Billing is needed.	Local tax according to Mexican law. "Any place of business in which entrepreneurial activities are conducted" PE definition may vary from Treaty and Treaty. New Model would fix the problem.
Income tax obligation, if the foreign company has no permanent establishment	Local Tax deems as a no taxable income "business activities".	There is no tax liability
Withholding tax obligation, if the foreign company has permanent establishment	No Withholding tax applies. Special case on VAT	Withholding tax according to local law if any. Special case on VAT
Withholding tax obligation, if the foreign company has no permanent establishment	No withholding Tax.	No Withholding Tax



Mexico

2. Classification of e-commerce as service (Or other services) - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	Foreign resident who provide services may be taxed in Mexico.	Foreign resident who provide services which produce or accrue business income in Mexico are taxable.
Where is the place the income is produced, in accordance with the local law	Source of wealth in Mexico apply if such services are used in the country or paid by a Mexican entity	Source of wealth in Mexico apply if such services are used in the country or paid by a Mexican entity
Income tax obligation, if the foreign company has permanent establishment	Local tax according to Mexican Law, for the part of the service provided in Mexico if income is attributable to PE. Electronic Billing is needed.	Local tax according to Mexican Law.
Income tax obligation, if the foreign company has no permanent establishment	Withholding Tax in some cases. Translation Services may be exempted.	Local tax according to Mexican Law. Lower tax rates available for items considered as a royalties or technical assistance
Withholding tax obligation, if the foreign company has permanent establishment	No Withholding tax according to Mexican Law.	Withholding tax according to Mexican Law.
Withholding tax obligation, if the foreign company has no permanent establishment	Withholding Tax depending on the "income classification" (Services, Royalties, Technical Assistance).	Withholding tax according to local Law



Nigeria

1. Classification of e-commerce as delivery of goods - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	Foreign resident whose income generates profits which accrues, derived or received in Nigeria, are taxable in Nigeria.	Foreign resident whose income generates profits which accrues, derived or received in Nigeria, are taxable in Nigeria.
Where is the place the income is produced, in accordance with the local law	In the country of destination: Nigeria. This is due to the fact that the sale originated from Nigeria and any profits made on such activity will be deemed to have accrued from Nigeria.	In the country of destination: Nigeria. This is due to the fact that the sale originated from Nigeria and any profits made on such activity will be deemed to have accrued from Nigeria.
Income tax obligation, if the foreign company has permanent establishment	Local tax according to Nigerian Law. (In accordance with the provisions of each convention).	Local tax according to Nigerian law.
Income tax obligation, if the foreign company has no permanent establishment	Tax is paid in accordance with Nigerian laws subject to the provisions of each convention.	Local tax according to Nigerian law.
Withholding tax obligation, if the foreign company has permanent establishment	Generally, a foreign company with permanent establishment in Nigeria is expected to comply with withholding tax obligations subject to the provisions of relevant treaties. However, specifically, withholding taxes will not apply to E-commerce transactions based on the scenario given, as the delivery of goods will qualify as a sale in the ordinary course of business, which are not subject to withholding taxes.	Generally, a foreign company is expected to comply with withholding tax obligations. However, specifically, withholding taxes will not apply to E-commerce transactions based on the scenario given, as the delivery of goods will qualify as a sale in the ordinary course of business, which are not subject to withholding taxes.



Nigeria

Withholding tax obligation, if the foreign company has no permanent establishment	<p>Generally, a foreign company with no permanent establishment in Nigeria may be subject to local withholding tax rules in certain circumstances subject to relevant double tax treaty provisions. Specifically, please note that withholding taxes will not apply to E-commerce transactions based on the scenario given, as the delivery of goods will qualify as a sale in the ordinary course of business, which are not subject to withholding taxes.</p>	<p>Generally, a foreign company with no permanent establishment in Nigeria may be subject to local withholding tax rules in certain circumstances. Specifically, please note that Withholding taxes will not apply to E-commerce transactions based on the scenario given, as the delivery of goods will qualify as a sale in the ordinary course of business, which are not subject to withholding taxes.</p>
Notes	<p>Due to the practical challenge of the inability to effectively monitor online sales transactions, the Nigerian Revenue Service may be constrained in gathering necessary information to levy taxes on E-commerce transactions.</p>	<p>Due to the practical challenge of the inability to effectively monitor online sales transactions, the Nigerian Revenue Service may be constrained in gathering necessary information to levy taxes on E-commerce transactions.</p>



2. Classification of e-commerce as service (Or other services) - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	<p>Foreign resident whose income generates profits which accrues, derived or received in Nigeria, are taxable in Nigeria.</p>	<p>Foreign resident whose income generates profits which accrues, derived or received in Nigeria, are taxable in Nigeria.</p>
Where is the place the income is produced, in accordance with the local law	<p>Services provided outside Nigeria are not subject to Nigerian taxes. Based on the scenario, the services were provided outside Nigeria.</p>	<p>Services provided outside Nigeria are not subject to Nigerian taxes. Based on the scenario, the services were provided outside Nigeria.</p>
Income tax obligation, if the foreign company has permanent establishment	<p>Local tax according to Nigerian law, for the part of the service provided in Nigeria. (In accordance with the provisions of each convention).</p>	<p>Local tax according to Nigerian law, for the part of the service provided in Nigeria.</p>

Nigeria

Income tax obligation, if the foreign company has no permanent establishment	Tax is paid in accordance with Nigerian laws subject to the provisions of each convention.	Local tax according to Nigerian law.
Withholding tax obligation, if the foreign company has permanent establishment	Generally, a foreign company with permanent establishment in Nigeria is expected to comply with withholding tax obligations subject to the provisions of relevant treaties. However, specifically, withholding taxes will not apply to E-commerce as a service based on the scenario given, as the services were not provided in Nigeria.	Generally, a foreign company is expected to comply with withholding tax obligations. However, specifically, withholding taxes will not apply to E-commerce as a service based on the scenario given, on the basis that the services were not provided in Nigeria.
Withholding tax obligation, if the foreign company has no permanent establishment	Generally, a foreign company with no permanent establishment in Nigeria may be subject to local withholding tax rules in certain circumstances subject to relevant double tax treaty provisions. Specifically, please note that withholding taxes will not apply to E-commerce as a service based on the scenario given, as the services were not provided in Nigeria.	Generally, a foreign company with no permanent establishment in Nigeria may be subject to local withholding tax rules in certain circumstances. Specifically, please note that Withholding taxes will not apply to E-commerce as a service based on the scenario given, as the services were not provided in Nigeria.



Romania

1. Classification of e-commerce as delivery of goods - Income tax liability of the seller

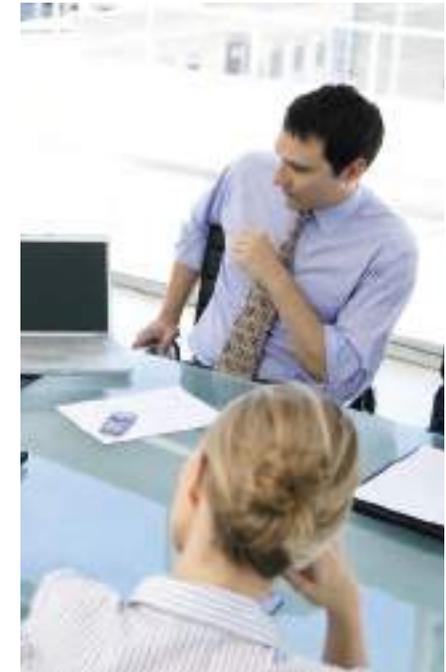
Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	The consumer paying the value of the ordered goods	The consumer paying the value of the ordered goods
Where is the place the income is produced, in accordance with the local law	In the destination country where the payment by the consumer is done	In the destination country where the payment by the consumer is done
Income tax obligation, if the foreign company has permanent establishment	The tax obligation belongs to the permanent establishment according with the Romanian tax law only if the delivery is performed by the respective permanent establishment in Romania	The tax obligation belongs to the permanent establishment according with the Romanian tax law only if the delivery is performed by the respective permanent establishment in Romania
Income tax obligation, if the foreign company has no permanent establishment	There is no tax obligation in Romania	There is no tax obligation in Romania
Withholding tax obligation, if the foreign company has permanent establishment	There is no withholding tax obligation according to Romanian law for goods delivery	There is no withholding tax obligation according to Romanian law for goods delivery
Withholding tax obligation, if the foreign company has no permanent establishment	There is no withholding tax obligation according to Romanian law for goods delivery	There is no withholding tax obligation according to Romanian law for goods delivery
Notes	The applicable tax rule concerning the goods delivery is the tax law of the seller's country	The applicable tax rule concerning the goods delivery is the tax law of the seller's country



Romania

2. Classification of e-commerce as service (Or other services) - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	The consumer paying the value of the ordered service	The consumer paying the value of the ordered service
Where is the place the income is produced, in accordance with the local law	In the seller's country	In the country where the seller renders the service. For e-commerce the place is where the server is located
Income tax obligation, if the foreign company has permanent establishment	Local tax according to Romanian law, for the part of the service rendered by the permanent establishment. (In accordance with the provisions of each convention).	Local tax according to Romanian law, for the part of the service rendered by the permanent establishment.
Income tax obligation, if the foreign company has no permanent establishment	Tax is paid according to the double tax treaty. (In most cases there will be no income tax).	Local tax according to Romanian law (in some cases there is no tax liability or a one-time tax liability), for the part of the service provided in Romania.
Withholding tax obligation, if the foreign company has permanent establishment	Withholding tax according to Romanian law. (In accordance with the provisions of each convention and only for the part of the service provided in Romania).	Withholding tax according to local law (Only for the part of the service provided in Romania).
Withholding tax obligation, if the foreign company has no permanent establishment	According to the double tax treaty	Withholding tax according to local law (Only for the part of the service provided in Romania).
Notes	In order to apply the double tax treaty convention provisions, the seller must provide to the consumer its tax residence certificate	Applying the local tax rules is available only if the place where the seller renders the service is in Romania (The server is located in Romania) or if the seller doesn't provide its tax residence certificate



Serbia

1. Classification of e-commerce as delivery of goods - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	Foreign resident which produce or accrue business income in Serbia, are taxable in Serbia.	Foreign resident which produce or accrue business income in Serbia, are taxable in Serbia.
Where is the place the income is produced, in accordance with the local law	In the country of destination: Serbia "In respect of business income, the place where the income yielding activity takes place". (In most cases, if the sale is made in Serbia, it is an indication that the income was generated in Serbia).	In the country of destination: Serbia "In respect of business income, the place where the income yielding activity takes place". (In most cases, if the sale is made in Serbia, it is an indication that the income was generated in Serbia).
Income tax obligation, if the foreign company has permanent establishment	Local tax according to Serbia law. (In accordance with the provisions of each convention).	Local tax according to Serbia law.
Income tax obligation, if the foreign company has no permanent establishment	Tax is paid according to the double tax treaty. (In most cases will not pay income tax).	Local tax according to Serbia law (In some cases there is no tax liability or a one-time tax liability).
Withholding tax obligation, if the foreign company has permanent establishment	Withholding tax according to Serbia law. (In accordance with the provisions of each convention).	Withholding tax according to local law.
Withholding tax obligation, if the foreign company has no permanent establishment	According to the double tax treaty.	Withholding tax according to local law.
Notes	Regulations concerning business to business transactions (B2B): The consumer, has the obligation to check the withholding tax liability of the seller. In business to consumer transactions (B2C): The consumer, B2B, has no obligation the check the withholding tax liability of the seller.	Regulations concerning business to business transactions (B2B): The consumer, has the obligation to check the withholding tax liability of the seller. In business to consumer transactions (B2C): The consumer, B2B, has no obligation the check the withholding tax liability of the seller.



Serbia

2. Classification of e-commerce as service (Or other services) - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	Foreign resident who provide services which produce or accrue business income in Serbia, are taxable in Serbia	Foreign resident who provide services which produce or accrue business income in Serbia, are taxable in Serbia.
Where is the place the income is produced, in accordance with the local law	In most cases, services provided outside of Serbia and not related to a specific asset in Serbia are not considered services produced or incurred in Serbia.	In most cases, services provided outside of Serbia and not related to a specific asset in Serbia are not considered services produced or incurred in Serbia.
Income tax obligation, if the foreign company has permanent establishment	Local tax according to Serbia law, for the part of the service provided in Serbia. (In accordance with the provisions of each convention).	Local tax according to Serbia law, for the part of the service provided in Serbia.
Income tax obligation, if the foreign company has no permanent establishment	Tax is paid according to the double tax treaty. (In most cases will not pay income tax).	Local tax according to Serbia law (In some cases there is no tax liability or a one-time tax liability), for the part of the service provided in Serbia.
Withholding tax obligation, if the foreign company has permanent establishment	Withholding tax according to Serbia law. (In accordance with the provisions of each convention and only for the part of the service provided in Serbia).	Withholding tax according to local law (Only for the part of the service provided in Serbia).
Withholding tax obligation, if the foreign company has no permanent establishment	According to the double tax treaty (Only for the part of the service provided in Serbia).	Withholding tax according to local law (Only for the part of the service provided in Serbia).
Notes	Regulations concerning business to business transactions (B2B): The consumer, has the obligation to check the withholding tax liability of the seller. In business to consumer transactions (B2C): The consumer, B2B, has no obligation the check the withholding tax liability of the seller.	Regulations concerning business to business transactions (B2B): The consumer, has the obligation to check the withholding tax liability of the seller. In business to consumer transactions (B2C): The consumer, B2B, has no obligation the check the withholding tax liability of the seller.



Singapore

1. Classification of e-commerce as delivery of goods - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	Foreign resident which produce or accrue business income in Singapore, are taxable in Singapore.	Foreign resident which produce or accrue business income in Singapore, are taxable in Singapore.
Where is the place the income is produced, in accordance with the local law	In the country of destination: Singapore Income tax shall be payable when accruing in or derived from Singapore or received in Singapore from outside Singapore in respect of any gains or profits from any trade, business, profession or vocation, for whatever period of time such trade, business, profession or vocation may have been carried on or exercised. The place where the income is produced depends on the place of "control" of the operations conducted to produce the income. (Operations Test)	In the country of destination: Singapore Income tax shall be payable when accruing in or derived from Singapore or received in Singapore from outside Singapore in respect of any gains or profits from any trade, business, profession or vocation, for whatever period of time such trade, business, profession or vocation may have been carried on or exercised. The place where the income is produced depends on the place of "control" of the operations conducted to produce the income. (Operations Test)
Income tax obligation, if the foreign company has permanent establishment	Local tax according to Singapore's law. (In accordance with the provisions of each convention).	Local tax according to Singapore's law.
Income tax obligation, if the foreign company has no permanent establishment	No permanent establishment, no tax obligation in Singapore.	No permanent establishment, no tax obligation in Singapore



Singapore

<p>Withholding tax obligation, if the foreign company has permanent establishment</p>	<p>If the permanent establishment is responsible for the income made, there will be no withholding tax for the consumer.</p> <p>The permanent establishment in Singapore of the foreign company will have to pay for the tax (In accordance with the provisions of each convention and only for the part of the operations pertaining to the income production in Singapore).</p> <p>If the operations of the permanent establishment has nothing to do with the permanent establishment, the withholding tax will have to be paid by the consumer.</p>	<p>If the permanent establishment is responsible for the income made, there will be no withholding tax for the consumer.</p> <p>The permanent establishment in Singapore of the foreign company will have to pay for the tax (In accordance with the provisions of each convention and only for the part of the operations pertaining to the income production in Singapore).</p> <p>If the operations of the permanent establishment has nothing to do with the permanent establishment, the withholding tax will have to be paid by the consumer.</p>
<p>Withholding tax obligation, if the foreign company has no permanent establishment</p>	<p>Withholding tax according to Singapore's law. (In accordance with the provisions of each convention).</p> <p>Where withholding tax will be charged to the consumer.</p>	<p>Withholding tax according to Singapore's law. Where withholding tax will be charged to the consumer.</p>
<p>Notes</p>	<p>Regulations concerning business to business transactions (B2B): The consumer, has the obligation to check the withholding tax liability of the seller.</p> <p>In business to consumer transactions (B2C): The consumer, B2B, has no obligation the check the withholding tax liability of the seller.</p>	<p>Regulations concerning business to business transactions (B2B): The consumer, has the obligation to check the withholding tax liability of the seller.</p> <p>In business to consumer transactions (B2C): The consumer, B2B, has no obligation the check the withholding tax liability of the seller.</p>



Singapore

2. Classification of e-commerce as service (Or other services) - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	Income tax shall be payable when accruing in or derived from Singapore or received in Singapore from outside Singapore in respect of any gains or profits from any trade, business, profession or vocation, for whatever period of time such trade, business, profession or vocation may have been carried on or exercised. The place where the income is produced depends on the place of "control" of the operations conducted to produce the income. (Operations Test)	Income tax shall be payable when accruing in or derived from Singapore or received in Singapore from outside Singapore in respect of any gains or profits from any trade, business, profession or vocation, for whatever period of time such trade, business, profession or vocation may have been carried on or exercised. The place where the income is produced depends on the place of "control" of the operations conducted to produce the income. (Operations Test)
Where is the place the income is produced, in accordance with the local law	In most cases, services provided outside of Singapore, and not related to the permanent establishment in Singapore, are not considered services produced or incurred in Singapore.	In most cases, services provided outside of Singapore, and not related to the permanent establishment in Singapore, are not considered services produced or incurred in Singapore.
Income tax obligation, if the foreign company has permanent establishment	There will be income tax obligation for the permanent establishment in Singapore. (By the provisions in the double tax treaty, and the definition of a permanent establishment in Singapore)	There will be income tax obligation for the permanent establishment in Singapore.
Income tax obligation, if the foreign company has no permanent establishment	No permanent establishment, no income tax obligation in Singapore.	No permanent establishment, no income tax obligation in Singapore.



Singapore

<p>Withholding tax obligation, if the foreign company has permanent establishment</p>	<p>If the permanent establishment is responsible for the income made, there will be no withholding tax for the consumer.</p> <p>The permanent establishment in Singapore of the foreign company will have to pay for the tax (In accordance with the provisions of each convention and only for the part of the operations pertaining to the income production in Singapore).</p> <p>If the operations of the permanent establishment has nothing to do with the permanent establishment, the withholding tax will have to be paid by the consumer.</p>	<p>If the permanent establishment is responsible for the income made, there will be no withholding tax for the consumer.</p> <p>The permanent establishment in Singapore of the foreign company will have to pay for the tax (In accordance with the provisions of each convention and only for the part of the operations pertaining to the income production in Singapore).</p> <p>If the operations of the permanent establishment has nothing to do with the permanent establishment, the withholding tax will have to be paid by the consumer.</p>
<p>Withholding tax obligation, if the foreign company has no permanent establishment</p>	<p>No permanent establishment, no income tax obligation in Singapore.</p>	<p>No permanent establishment, no income tax obligation in Singapore.</p>
<p>Notes</p>	<p>Regulations concerning business to business transactions (B2B): The consumer, has the obligation to check the withholding tax liability of the seller.</p> <p>In business to consumer transactions (B2C): The consumer, B2B, has no obligation the check the withholding tax liability of the seller.</p>	<p>Regulations concerning business to business transactions (B2B): The consumer, has the obligation to check the withholding tax liability of the seller.</p> <p>In business to consumer transactions (B2C): The consumer, B2B, has no obligation the check the withholding tax liability of the seller.</p>



Spain

1. Classification of e-commerce as delivery of goods - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	Foreign resident which produce or accrue business income in Spain, are taxable in Spain.	Foreign resident which produce or accrue business income in Spain, are taxable in Spain.
Where is the place the income is produced, in accordance with the local law	In the country of destination: Spain "In respect of business income, the place where the income yielding activity takes place".	In the country of destination: Spain "In respect of business income, the place where the income yielding activity takes place".
Income tax obligation, if the foreign company has permanent establishment	Local tax according to Spanish law. (In accordance with the provisions of each convention).	Local tax according to Spanish law.
Income tax obligation, if the foreign company has no permanent establishment	Tax is paid according to the double tax treaty. (In most cases will not pay income tax).	Local tax according to Spanish law.
Withholding tax obligation, if the foreign company has permanent establishment	Withholding tax according to Spanish law. (In accordance with the provisions of each convention).	Withholding tax according to local law.
Withholding tax obligation, if the foreign company has no permanent establishment	According to the double tax treaty.	Withholding tax according to local law.
Notes	Regulations concerning business to business transactions (B2B): The consumer, has the obligation to check the withholding tax liability of the seller. In business to consumer transactions (B2C): The consumer, B2B, has no obligation the check the withholding tax liability of the seller.	Regulations concerning business to business transactions (B2B): The consumer, has the obligation to check the withholding tax liability of the seller. In business to consumer transactions (B2C): The consumer, B2B, has no obligation the check the withholding tax liability of the seller.



Spain

2. Classification of e-commerce as service (Or other services) - Income tax liability of the seller

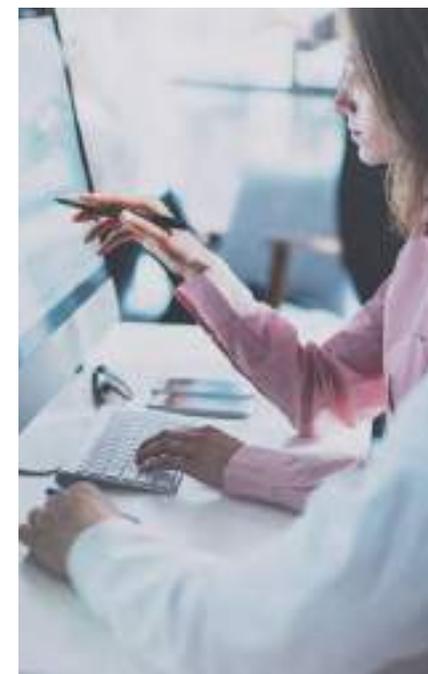
Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	Foreign resident who provide services which produce or accrue business income in Spain, are taxable in Spain.	Foreign resident who provide services which produce or accrue business income in Spain, are taxable in Spain.
Where is the place the income is produced, in accordance with the local law	In most cases, services provided outside of Spain and not related to a specific asset in Spain are not considered services produced or incurred in Spain.	In most cases, services provided outside of Spain and not related to a specific asset in Spain are not considered services produced or incurred in Spain.
Income tax obligation, if the foreign company has permanent establishment	Local tax according to Spanish law, for the part of the service provided in Spain. (In accordance with the provisions of each convention).	Local tax according to Spanish law, for the part of the service provided in Spain.
Income tax obligation, if the foreign company has no permanent establishment	Tax is paid according to the double tax treaty.	Local tax according to Spanish law.
Withholding tax obligation, if the foreign company has permanent establishment	Withholding tax according to Spanish law. (In accordance with the provisions of each convention).	Withholding tax according to local law
Withholding tax obligation, if the foreign company has no permanent establishment	According to the double tax treaty.	Withholding tax according to local law
Notes	Regulations concerning business to business transactions (B2B): The consumer, has the obligation to check the withholding tax liability of the seller. In business to consumer transactions (B2C): The consumer, B2B, has no obligation the check the withholding tax liability of the seller.	Regulations concerning business to business transactions (B2B): The consumer, has the obligation to check the withholding tax liability of the seller. In business to consumer transactions (B2C): The consumer, B2B, has no obligation the check the withholding tax liability of the seller.



Switzerland

1. Classification of e-commerce as delivery of goods - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	Foreign resident which produce or accrue business income in Switzerland, are taxable in Switzerland as far as it qualifies as permanent establishment in Switzerland.	Foreign resident which produce or accrue business income in Switzerland, are taxable in Switzerland as far as it qualifies as permanent establishment in Switzerland.
Where is the place the income is produced, in accordance with the local law	For income tax in the country of the sellers residence provided that he doesn't have a permanent establishment in Switzerland (in this case in Switzerland).	For income tax in the country of the sellers residence provided that he doesn't have a permanent establishment in Switzerland (in this case in Switzerland).
Income tax obligation, if the foreign company has permanent establishment	Local tax according to Swiss law. (In accordance with the provisions of each convention).	Local tax according to Swiss law.
Income tax obligation, if the foreign company has no permanent establishment	Tax is paid according to the double tax treaty. (In most cases will not pay income tax).	No local income tax as there's no permanent establishment.
Withholding tax obligation, if the foreign company has permanent establishment	No withholding tax according to most double tax conventions. Withholding tax in Switzerland basically takes place in terms of dividends (not applicable here).	No withholding tax. Withholding tax in Switzerland basically takes place in terms of dividends (not applicable here).
Withholding tax obligation, if the foreign company has no permanent establishment	No withholding tax according to most double tax conventions. Withholding tax in Switzerland basically takes place in terms of dividends (not applicable here).	No withholding tax. Withholding tax in Switzerland basically takes place in terms of dividends (not applicable here).
Notes	Rather than income tax the seller must be aware of the VAT-obligation in case he is the one importing the goods.	Rather than income tax the seller must be aware of the VAT-obligation in case he is the one importing the goods.



Switzerland

2. Classification of e-commerce as service (Or other services) - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Notes	There's no relevant distinction with regard to income tax as described for the selling of goods. Rather than income tax the seller must be aware of the VAT-obligation in case he is delivering e-commerce services to customers in Switzerland.	There's no relevant distinction with regard to income tax as described for the selling of goods. Rather than income tax the seller must be aware of the VAT-obligation in case he is delivering e-commerce services to customers in Switzerland.



United Kingdom

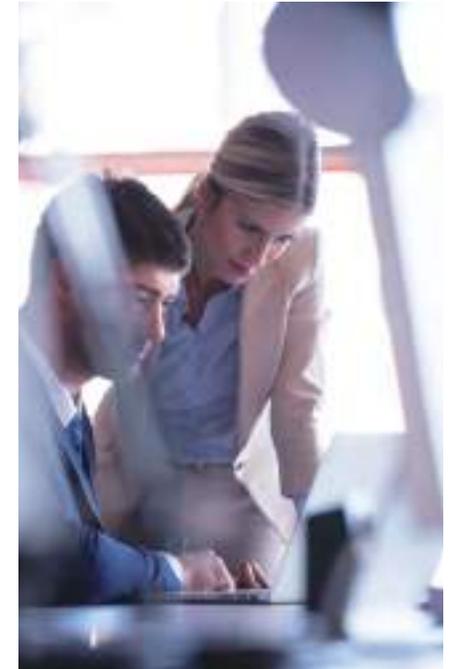
1. Classification of e-commerce as delivery of goods - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	Foreign companies which have a permanent establishment ('PE') in the UK will be subject to UK income tax. In limited circumstances, where a foreign company trades in the UK but not through a PE, the company will be subject to UK income tax.	Foreign residents which have a permanent establishment ('PE') in the UK will be subject to UK income tax. In limited circumstances, where a foreign company trades in the UK but not through a PE, the company will be subject to UK income tax.
Where is the place the income is produced, in accordance with the local law	Broadly, the UK authorities state that there must be a 'fixed place of business' in the UK for there to be a PE. The UK authorities take the view that a website does not constitute a PE in itself. Nor does it believe a server located in the country of the sale be sufficient to amount to a PE.	Broadly, the UK authorities state that there must be a 'fixed place of business' in the UK for there to be a PE. The UK authorities take the view that a website does not constitute a PE in itself. Nor does it believe a server located in the country of the sale be sufficient to amount to a PE.
Income tax obligation, if the foreign company has permanent establishment	The majority of the UK's double tax treaties follow the OECD's model treaty, therefore, usually PE's profits will be subject to UK corporation tax on the PE's business profits. The specific double tax treaty should be checked to confirm the correct treatment.	The foreign company would be liable to UK corporation tax on the PE's business profits.
Income tax obligation, if the foreign company has no permanent establishment	The foreign company would not be liable to UK corporation tax but the exact scenario and double tax treaty would need to be reviewed as the foreign company may still be subject to UK income tax. This is unlikely because the majority of the UK's double tax treaties follow the OECD's model treaty and hence the business profits are taxed in the country in which the business has a PE. The UK's Diverted Profits Tax anti-avoidance legislation should also be considered in case it applies.	The foreign company would potentially be liable to UK income tax on the sale. The UK's Diverted Profits Tax anti-avoidance legislation should also be considered in case it applies.



United Kingdom

<p>Withholding tax obligation, if the foreign company has permanent establishment</p>	<p>Where a foreign company has a PE in the UK, no withholding tax will be incurred. Instead the company will be required to submit annual tax returns in respect of the UK PE's business profits.</p>	<p>Where a foreign company has a PE in the UK no withholding tax will be incurred. Instead the company will be required to submit annual tax returns in respect of the UK PE's business profits.</p>
<p>Withholding tax obligation, if the foreign company has no permanent establishment</p>	<p>Where a foreign company does not have a PE in the UK, it will not be required to submit annual tax returns in respect of the UK PE's business profits. The specific double tax treaty should be checked to confirm the correct treatment.</p>	<p>Where a foreign company does not have a PE in the UK, it will not be required to submit annual tax returns in respect of the UK PE's business profits. In exceptional circumstances income tax will be due at 20% of the business profits.</p>



United Kingdom

2. Classification of e-commerce as service (Or other services) - Income tax liability of the seller

Distinction:	With a double tax treaty	Without a double tax treaty
Source of income for business activity	Where the services supplied are digital (e.g. software, music etc.) but could be provided in the form of a non-digitalised product (e.g. CD-ROM), then the supply is classed as a supply of goods. See notes above. Where the service is provided electronically (e.g. consultancy etc.) it will depend on the specific facts whether there is a permanent establishment ('PE') or not. In limited circumstance where a foreign company trades in the UK but not through a PE, the company will be subject to UK income tax.	Where the services supplied are digital (e.g. software, music etc.) but could be provided in the form of a non-digitalised product (e.g. CD-ROM), then the supply is classed as a supply of goods. See notes above. Where the service is provided electronically (e.g. consultancy etc.) it will depend on the specific facts whether there is a permanent establishment ('PE') or not. In limited circumstance where a foreign company trades in the UK but not through a PE, the company will be subject to UK income tax.
Where is the place the income is produced, in accordance with the local law	Broadly, the UK authorities state that there must be a 'fixed place of business' in the UK for there to be a PE. The UK authorities take the view that a website does not constitute a PE in itself. Nor does it believe a server located in the country of the sale be sufficient to amount to a PE. This view differs from the OECD's view whereby the location of the servers can determine whether there is a PE.	Broadly, the UK authorities state that there must be a 'fixed place of business' in the UK for there to be a PE. The UK authorities take the view that a website does not constitute a PE in itself. Nor does it believe a server located in the country of the sale be sufficient to amount to a PE. This view differs from the OECD's view whereby the location of the servers can determine whether there is a PE.
Income tax obligation, if the foreign company has permanent establishment	The majority of the UK's double tax treaties follow the OECD's model treaty, therefore, usually PE's profits will be subject to UK corporation tax on the PE's business profits. The specific double tax treaty should be checked to confirm the correct treatment.	The foreign company would be liable to UK corporation tax on the PE's business profits.



United Kingdom

<p>Income tax obligation, if the foreign company has no permanent establishment</p>	<p>The foreign company would not be liable to UK corporation tax but the exact scenario and double tax treaty would need to be reviewed as the foreign company may still be subject to UK income tax. This is unlikely because the majority of the UK's double tax treaties follow the OECD's model treaty and hence the business profits are taxed in the country in which the business has a PE.</p> <p>The UK's Diverted Profits Tax anti-avoidance legislation should be considered in case it applies.</p>	<p>The foreign company would potentially be liable to UK income tax on the sale.</p> <p>The UK's Diverted Profits Tax anti-avoidance legislation should be considered in case it applies.</p>
<p>Withholding tax obligation, if the foreign company has permanent establishment</p>	<p>Where a foreign company has a PE in the UK, no withholding tax will be incurred. Instead the company will be required to submit annual tax returns in respect of the UK PE's business profits.</p>	<p>Where a foreign company has a PE in the UK no withholding tax will be incurred. Instead the company will be required to submit annual tax returns in respect of the UK PE's business profits.</p>
<p>Withholding tax obligation, if the foreign company has no permanent establishment</p>	<p>Where a foreign company does not have a PE in the UK, it will not be required to submit annual tax returns in respect of the UK PE's business profits.</p> <p>The specific double tax treaty should be checked to confirm the correct treatment.</p>	<p>Where a foreign company does not have a PE in the UK, it will not be required to submit annual tax returns in respect of the UK PE's business profits.</p> <p>In exceptional circumstances income tax will be due at 20% of the business profits.</p>
<p>Notes</p>	<p>Where the services supplied are a right to the use of something, the sale may be deemed a royalty and hence withholding tax may be due.</p>	<p>Where the services supplied are a right to the use of something, the sale may be deemed a royalty and hence withholding tax may be due.</p>





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