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COUNCIL

Council

ELECTRONIC COMMERCE: TAXATION FRAMEWORK CONDITIONS

(Note by the Secretary-General)

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Introduction

1.	At its meeting on 30 June 1998, the Committee on Fiscal Affairs adopted a report entitled "Electronic Commerce: Taxation Framework Conditions" [DAFFE/CFA(98)38/REV2] (referred to hereafter as "the Report"). The Committee agreed that the Report should be submitted to Council with the suggestion that it be passed to Ministers when they meet in Ottawa on 8-9 October 1998. At that time, Ministers could be asked to welcome the Report and endorse the proposals on how to take forward this work.

2.	The Report builds upon the discussions at the 1997 Turku Conference and is the outcome of an intensive dialogue with Tax Administrations and Ministries of Finance over the last nine months. The Report has also benefited from five consultations held with business and from input from the European Commission and the World Customs Organisation.

Conclusions

3.	The Secretary-General considers that the Report will contribute to the Conference on "A Borderless World - realising the Potential of Global Electronic Commerce" and proposes that the Report should be derestricted and passed to Ministers at the Ottawa Conference.

4.	The Secretary-General therefore invites the Council to adopt the following draft entry in its Summary Record:

THE COUNCIL

noted the Report by the Committee on Fiscal Affairs, "Electronic Commerce: Taxation Framework Conditions" [DAFFE/CFA(98)38/REV2)] and agreed that it should be declassified at the time of the Ottawa Conference and passed to Ministers at Ottawa with the request that they welcome the Report and endorse the proposals on how to take forward this work.