Media Release

Business Welcomes International VAT/GST Guidelines and Calls for Consistent Implementation Globally

Paris, 6 November 2015 - At the 3rd OECD Global Forum on Value Added Tax (VAT) and Goods and Services Tax (GST) held in Paris today, BIAC welcomed the endorsement of the completed OECD International VAT/GST Guidelines and called for their consistent implementation globally to remove VAT/GST obstacles to cross-border trade in services and intangibles.

Bernhard Welschke, Secretary General of BIAC, said that “The Guidelines are a milestone for the global business community and a foundation for further work on the removal of obstacles to international trade and investment created by globally inconsistent VAT/GST rules”.

The Global Forum brought together senior officials from over 100 delegations representing governments, international organizations, business representatives and academia to discuss progress made in the development of the International VAT/GST Guidelines. The Guidelines were endorsed by governments as an International Standard to address issues of double taxation and unintended non-taxation resulting from inconsistencies in the application of VAT to international trade.

Developed by governments with guidance from the OECD VAT Technical Advisory Group (TAG) and input from BIAC business experts, the Guidelines provide a global framework based on 2 fundamental pillars: the ‘destination principle’ and the ‘neutrality principle’. They are designed to make the VAT/GST systems neutral, more efficient, and globally compatible.

Karl-Heinz Haydl, Business Co-Chair of the OECD VAT Technical Advisory Group (TAG), explained that “Business welcomes the Guidelines as they will improve, once consistently implemented, neutrality for companies acting as tax collectors while at the same time safeguarding VAT revenues for governments and gaining efficiency for both tax administrations and business. Business through BIAC is committed to actively support both a consistent implementation of the Guidelines across the globe and future work on VAT/GST”.

The Global Forum on VAT facilitates an international dialogue with countries beyond the OECD on the development and implementation of the VAT/GST Guidelines. It plays a key role not only in making the Guidelines become a truly global standard but also to support the implementation and future work on VAT/GST.

About BIAC:

The Business and Industry Advisory Committee to the OECD advocates for open markets, investment, and private-sector led growth. BIAC is the officially recognized voice of the international business community at the OECD. BIAC’s members are the major business organizations in the OECD member countries and a number of OECD observer countries.

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