



– Consultation response –

The Digital Levy

Brussels, 12 April 2021 | Europex supports the Commission's overall objective to ensure a fair taxation of the digital economy in Europe in line with the wider policy objectives set by the G20 and the OECD.

To this end, it is important that the Commission accurately defines the scope of digital activities, transactions and entities that will be subject to the digital levy. This is crucial to ensure full predictability and legal certainty for the economy at large, considering the great variety of business models and companies using digital means.

Specifically, it should be made clear what constitutes 'certain digital activities conducted in the EU', and which of the potential activities included in the list under question 33 of the consultation will be ultimately made subject to the levy. While we understand that financial services and energy trading are outside the proposed scope, Europex is concerned that a too broad definition and/or a non-exhaustive and open list of potential activities will lead to a situation where certain digitally provided services outside the agreed scope might unintentionally fall under the new tax.

If, for example, accidentally applied to energy wholesale trading, an additional digital levy would significantly increase the risk management costs of the real economy and eventually lead to higher energy prices for the end-consumer.

Europex therefore calls upon the Commission to further and clearly refine the definition of digital activities or digital companies that will be subject to the tax and to establish an exhaustive list of such activities to avoid that other unrelated activities, such as energy trading and/or financial services, do not accidentally become a part of it.

About

Europex is a not-for-profit association of European energy exchanges with 29 members. It represents the interests of exchange-based wholesale electricity, gas and environmental markets, focuses on developments of the European regulatory framework for wholesale energy trading and provides a discussion platform at European level.

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