



Finance Act 2020

2020 CHAPTER 14

PART 2

DIGITAL SERVICES TAX

Digital services revenues, UK digital services revenues etc

43 Meaning of “digital services activity” etc

- (1) This section applies for the purposes of this Part.
- (2) “Digital services activity” means providing—
 - (a) a social media service,
 - (b) an internet search engine, or
 - (c) an online marketplace.
- (3) “Social media service” means an online service that meets the following conditions—
 - (a) the main purpose, or one of the main purposes, of the service is to promote interaction between users (including interaction between users and user-generated content), and
 - (b) making content generated by users available to other users is a significant feature of the service.
- (4) “Internet search engine” does not include a facility on a website that merely enables a person to search—
 - (a) the material on that website, or
 - (b) the material on that website and on closely related websites.
- (5) “Online marketplace” means an online service that meets the following conditions—
 - (a) the main purpose, or one of the main purposes, of the service is to facilitate the sale by users of particular things, and
 - (b) the service enables users to sell particular things to other users, or to advertise or otherwise offer particular things for sale to other users.

Status: This is the original version (as it was originally enacted).

- (6) In subsection (5)—
 - (a) “thing” means any services, goods or other property;
 - (b) any reference to the sale of a thing includes hiring it.
- (7) Any reference to providing a social media service, internet search engine or online marketplace includes carrying on an associated online advertising service; and any reference to a social media service, internet search engine or online marketplace is to be read accordingly.
- (8) In this section “associated online advertising service” means an online service that—
 - (a) facilitates online advertising, and
 - (b) derives significant benefit from its association with the social media service, internet search engine or online marketplace.
- (9) Where an associated online advertising service derives significant benefit from its association with more than one type of digital services activity, revenues arising from the service are to be treated as attributable to each of the types of digital services activity in question to such extent as is just and reasonable.
- (10) See also section 45 (exclusion for online financial marketplaces).