



Finance Act 2020

2020 CHAPTER 14

PART 2

DIGITAL SERVICES TAX

Charge to tax

50 Relief for certain cross-border transactions

- (1) This section applies if a claim under this section in respect of an accounting period has been included in the group's DST return for that period (whether as originally made or by amendment).
- (2) For the purposes of step 1 in section 47(3) or 48(4), disregard 50% of any UK digital services revenues arising to a member of the group in the accounting period in connection with a relevant cross-border transaction.
- (3) For the purposes of step 4 in section 48(4), disregard 50% of any relevant operating expenses of a member of the group recognised in the accounting period that result from a relevant cross-border transaction.
- (4) "Relevant cross-border transaction" means a marketplace transaction where—
 - (a) the online marketplace is provided by a member of the group,
 - (b) a foreign user is a party to the transaction, and
 - (c) all or part of any revenues arising to a member of the group in connection with the transaction are (or would be) subject to a foreign DST charge.
- (5) In this section—

"foreign user" means a user who it is reasonable to assume—

 - (a) in the case of an individual, is normally in a territory outside the United Kingdom;
 - (b) in any other case, is established in a territory outside the United Kingdom,

and a reference to the foreign user's "territory" is to be read accordingly;

Status: This is the original version (as it was originally enacted).

“foreign DST charge” means a charge (known by any name) under the law of the foreign user’s territory which is similar to digital services tax;

“marketplace transaction” has the meaning given by section 41;

“relevant operating expenses” has the meaning given by section 49.