



Finance Act 2020

2020 CHAPTER 14

PART 2

DIGITAL SERVICES TAX

Digital services revenues, UK digital services revenues etc

41 Meaning of “UK digital services revenues”

- (1) This section applies for the purposes of this Part.
- (2) A group's “UK digital services revenues” for a period are so much of its digital services revenues for that period as are attributable to UK users.
- (3) Revenues are attributable to UK users if—
 - (a) they are within Case 1, 2 or 3, or
 - (b) they are within Case 4 or 5 and, where subsection (9) applies, they are allocated to UK users under that subsection.

This is subject to subsection (10).

- (4) Case 1 is where—
 - (a) the revenues are online marketplace revenues,
 - (b) they arise in connection with a marketplace transaction, and
 - (c) a UK user is a party to the transaction.
- (5) Case 2 is where—
 - (a) the revenues are online marketplace revenues, and
 - (b) they arise in connection with particular accommodation or land in the United Kingdom (see section 42).
- (6) Case 3 is where—
 - (a) the revenues are online marketplace revenues,

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- (b) they arise in connection with online advertising for particular services, goods or other property, and
 - (c) the advertising is paid for by a UK user.
- (7) Case 4 is where—
 - (a) the revenues are online advertising revenues,
 - (b) they are not within any of Cases 1 to 3, and
 - (c) the advertising is viewed or otherwise consumed by UK users.
- (8) Case 5 is where—
 - (a) the revenues are not within any of Cases 1 to 4, and
 - (b) they arise in connection with UK users.
- (9) For the purposes of subsection (3)(b), revenues are to be allocated to UK users to such extent as is just and reasonable where they are—
 - (a) online advertising revenues within Case 4 and the advertising in question is viewed or otherwise consumed by UK users and others;
 - (b) revenues within Case 5 and they arise in connection with UK users and others.
- (10) Online marketplace revenues are treated as not attributable to UK users if—
 - (a) where they arise in connection with a marketplace transaction—
 - (i) they arise in connection with particular accommodation or land outside the United Kingdom (see section 42), and
 - (ii) the only UK user who is a party to the transaction is a provider or seller of the thing to which the transaction relates;
 - (b) in any other case, they arise in connection with particular accommodation or land outside the United Kingdom (see section 42).
- (11) In this section—
 - “marketplace transaction” means a transaction on the online marketplace between users;
 - “online advertising revenues” means revenues arising in connection with the provision or facilitation of online advertising;
 - “online marketplace revenues” means revenues arising in connection with an online marketplace.
- (12) For the purpose of the definition of “marketplace transaction”, “transaction on the online marketplace” includes the placing on the marketplace of an order that results in an agreement, even if the agreement between the users is made otherwise than through the marketplace.

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