Tech sector bodies call for new impetus from the US, EU and UK to find a solution for the taxation of the digital economy

The COVID-19 pandemic has shown the importance of digital services to the modern economy. Technology has played a vital role in helping keep our society connected and our economies going throughout the harshest of years.

To return to growth in 2021 the US, EU and its Member States and the UK are rightly seeking to put technology at the heart of their response with a myriad of initiatives aiming to unlock the potential of digital services to drive economic growth and job creation.

However, to ensure the best possible recovery we need predictable and stable rules around taxation and investment.

A renewed emphasis on US and European cooperation presents a window of opportunity to tackle unresolved issues on cooperation in taxation at the OECD.

In 2020 the international community made substantial progress towards reaching a consensus-based term solution to the tax challenges arising from the digitalisation of the global economy. However, if we are to succeed in making progress at the OECD and unlocking a political agreement in 2021 a renewed effort will be needed from the international community.

As the hosts of the some of the world's largest digital sectors, the US, EU and the UK are well placed to lead this effort to drive these discussions to a conclusion.

This is vitally important as the proliferation of national digital taxes threatens to spark trade disputes that could undermine our collective efforts to recover from the COVID-19 crisis, as well as threatening a renewed atmosphere of partnership.

The US, EU and UK should therefore use the G7 in the UK and multilateral engagement at the OECD to find a new impetus in order to reach a resolution on international taxation by mid 2021.

By driving forward the establishment of a common framework the US, EU and UK can not only resolve one of the great economic quagmires of our time but also

support a renewal of multilateralism and its ability to tackle the great global challenges.

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