

stripe

IFA Event Vienna

VAT and platform economy

Dr Aleksandra Bal

3 October 2022

VAT and platform economy

What is a platform?

Digital platforms are technologies that create value by enabling direct interactions between two or more user groups:

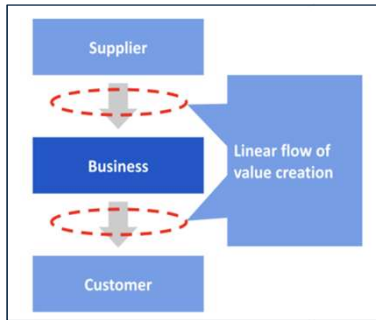
- Supply side (producers)
- Demand side (consumers)

Platform business	Supply side	Demand side
Amazon Marketplace	Sellers	Buyers
Booking.com	Hotels, airlines	Travellers
Google	Website owners	Readers
Spotify	Artists	Listeners
Uber	Drivers	Riders
Airbnb	Hosts	Guests
Udemy	Instructors	Students
Doximity	Practitioners	Patients
Kindle	Authors	Readers
Facebook	Ordinary users	Businesses

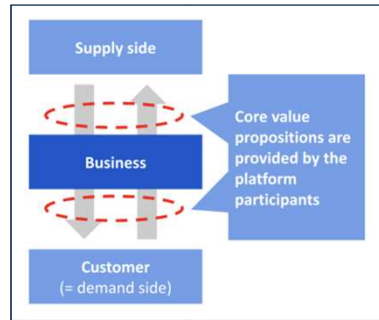
stripe

2

Platforms vs linear businesses



Linear business model



Platform business model

Platforms don't own the means of production – they create the means of connection (network effects)

What is not a platform?



<https://www.shopify.com> › Shopify Blog

What is Shopify and How Does it Work? (2022)

Shopify is an all-in-one commerce platform that makes it easy to launch your dream business and start selling to your customers, wherever they are.



<https://aws.amazon.com> › what-is-aws

What is AWS

Amazon Web Services (AWS) is the world's most comprehensive and broadly adopted cloud platform, offering over 200 fully featured services from data centers ...

IaaS, PaaS and SaaS often rely on linear business models.

VAT and platform economy

Types of platforms

Sector	Sub-sector	Type
E-commerce	Marketplace of goods	Goods
Transport services	Ride on demand	Services or temporary access to assets
	Ridesharing	
	Car sharing	
	Delivery services	
Accommodation	Trip booking	
	Residence renting	
	B&B and hotel accommodation	
Real estate	Home sharing	
	Home swapping	
Finance (crowd funding)	Rental and sales intermediation	
	Reward-based funding	
Professional and household services	Equity funding	
	Debt funding	
	On-demand household services	
Advertising	On-demand professional services	
	Search engines	
	Social media	

Source: European Commission, VAT in the Digital Age

Consumer	Supplier	
	Business (B)	Consumer (C)
Business (C)	B2B	C2B
Consumer (C)	B2C	C2C

stripe

5

VAT and platform economy

Indirect tax considerations

- Variety of concepts: marketplace facilitator, deemed supplier, merchant of record, seller of record
- Scope of the deemed supplier / marketplace facilitator regimes
- Nature of the platform's facilitation services
- VAT status of platform users (business vs. consumer)
- Reporting obligations
- Non-monetary consideration
- Interaction with special regimes for SMEs

stripe

6