G-24 developing countries express support for multilateral solution to taxing digital economy

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The Intergovernmental Group of Twenty-Four on International Monetary Affairs (G-24), in an October 17 **communique** released after their meeting in Washington DC, expressed support for multilateral action through the Inclusive Framework on BEPS to solve the tax challenges of the digital economy.

Any tax solution should generate equitable benefits for developing countries and should recognize that digitalization enables firms to have a significant economic presence in economies even without a physical presence, the G-24 countries said.

“The goal should be to put in place rules that are fair and simple, allocate profits by taking into account the contribution of markets and users in creating these profits and can be effectively implemented in developing countries,” they said.

Moreover, the group agreed that there should be a focus on tax dispute prevention from the design stage of the solution.

The G-24 was founded in 1971 and is now comprised of the following 28 developing countries (China attends as a special invitee): Algeria, Côte d’Ivoire, Democratic Republic of the Congo, Egypt, Ethiopia, Gabon, Ghana, Kenya, Morocco, Nigeria, South Africa, Argentina, Brazil, Colombia, Ecuador, Guatemala, Haiti, Mexico, Peru, Trinidad and Tobago, Venezuela, India, Iran, Lebanon, Pakistan, Philippines, Sri Lanka, and Syria.