



Model Rules for Reporting by Platform Operators with respect to Sellers in the Sharing and Gig Economy

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Foreword

The market of online platforms facilitating a variety of transactions between users in the “sharing” and “gig” economies is growing rapidly. The emergence of these platforms is changing many business sectors in which platforms are active. As part of that change, tax administrations may wish to consider adapting their compliance strategies to reflect that an increasing number of taxpayers are earning taxable income through such platforms.

On the one hand, the growth of sharing and gig economy platforms presents significant opportunities for tax administrations, as it may bring activities previously carried out in the informal cash economy onto digital platforms, where transactions and related payments are recorded in electronic form. If leveraged in the right way, this can lead to greater transparency and minimise compliance burdens for both tax administrations and taxpayers.

At the same time, certain activities carried out through these platforms may not always be visible to tax administrations or self-reported by taxpayers. This is because the development of the gig economy entails a shift from traditional work relations under employment contracts to the provision of services by individuals on an independent basis, which is not typically subject to third-party reporting. These developments present risks of distorting competition with traditional businesses and reducing declared taxable income.

Against that background, a number of jurisdictions have already introduced reporting measures requiring platform operators to communicate to the tax authorities revenues received by platform sellers, while others are planning to introduce similar measures in the near future.

Given, however, that the platforms are facilitating transactions in the sharing and gig economies on a global scale, there are inherent limitations to the effectiveness of domestic reporting rules. In particular, governments may face challenges in terms of the enforcement of domestic reporting requirements when the platform operator is not located in their jurisdiction. At the same time, platforms facilitating transactions in multiple jurisdictions may be confronted with a wide set of permutations of domestic reporting requirements, which may lead to increased costs and potentially harmful barriers to the further development of their businesses.

It is against this background that the OECD has developed model reporting rules that could be adopted by interested jurisdictions on a uniform basis to collect information on transactions and income realised by platform sellers, in order to contain the proliferation of different domestic reporting requirements and to facilitate the automatic exchange agreements between such interested jurisdictions.

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Abbreviations and acronyms

AEOI	Automatic Exchange of Information
AML	Anti-Money Laundering
API	Application Programming Interface
EU	European Union
EUR	Euro (currency)
GST	Goods and Services Tax
GVS	Government Verification Service
IBAN	International Bank Account Number
IT	Information Technology
KYC	Know Your Customer
OECD	Organisation for Economic Co-operation and Development
TIN	Taxpayer Identification Number
VAT	Value Added Tax
XML	Extensible Markup Language

Background

Building blocks of the Model Rules

1. The overall architecture of the Model Rules has three dimensions: (i) a targeted scope of transactions to be reported, focussing on accommodation, transport and other personal services; (ii) a broad scope of platform operators and sellers, to ensure that as many relevant transactions as possible are being reported; and (iii) due diligence and reporting rules that ensure that accurate information gets reported without imposing overly burdensome procedures on platform operators.
2. Against that background, the Model Rules are structured as follows:
 - Section I sets out the key definitions and is grouped around three themes:
 - The first part defines the scope of platform operators that are subject to the rules. In defining this scope, a broad and generic definition of the term platform has been chosen to cover all software products that are accessible by users and allow sellers to be connected to other users for the provision of relevant services, including arrangements for the collection of consideration on behalf of sellers. Platform operators are defined as entities that contract with sellers to make available all or part of a platform to such sellers. They are in principle subject to the rules when they are resident, incorporated or managed in the jurisdiction adopting the rules. There are optional exclusions for small-scale platform operators, in particular targeted at start-ups, and platforms that do not allow sellers to derive a profit from the consideration received or that do not have reportable sellers. The first part also defines the services covered by the Model Rules and covers both the rental of immovable property, as well as the provision of personal services, including transportation and delivery services;
 - The second part defines the scope of sellers. The scope of sellers covers both entities and individuals, although exclusions are foreseen for hotel businesses, publicly-traded entities and governmental entities; and
 - The third part contains a set of other definitions that are relevant for applying the Model Rules.
 - Section II contains the due diligence procedures to be followed by platform operators to identify the sellers and determine the relevant jurisdictions for reporting purposes by means of the following steps:
 - The first part contains procedures for identifying those sellers that are not subject to the collection and verification requirements, because they fall within one of the exclusions;
 - The second and third parts set out the information items that platform operators are required to collect and verify with respect to sellers. This includes in particular the name, address, TIN (including the jurisdiction of issuance) and the seller's date of birth or business registration number;
 - The fourth and fifth parts set out the rules for determining the link of sellers with jurisdictions for purposes of reporting under the rules, on the basis of the information items collected;

- The sixth part stipulates the timing and the validity of the due diligence procedures. It also provides transitional relief for sellers that are registered on the platform prior to the platform operator becoming subject to the rules; and
- The seventh and eighth parts allow platform operators to only conduct the due diligence procedures in respect to active sellers and to rely on a third-party service provider, including another platform operator, to conduct the due diligence procedures on their behalf.
- Section III sets out the information to be reported about the platform, its operators, its sellers and their transactions by 31 January of each year, as well as the format for reporting; and
- Section IV contains the administration and enforcement hallmarks that jurisdictions are expected to consider when implementing the Model Rules.

3. The Model Rules and Commentary are designed to be complemented by an international legal framework to support the annual automatic exchange of information by the residence jurisdiction of the platform operator with the jurisdictions of residence of the sellers (and, with respect to transactions involving the rental of immovable property, the jurisdictions in which such immovable property is located), as determined on the basis of the due diligence procedures. In addition, further work will be undertaken to develop a standardised IT-format for the information exchanges, as well as potential IT-solutions to support the identity verification of sellers by platform operators.

Objectives and driving factors

4. The Model Rules seek to:

- **ensure that taxpayers and tax administrations get timely access to high-quality and relevant information on the consideration earned by platform sellers**, in order to enhance compliance and minimise compliance burdens for tax administrations and taxpayers alike. As such, the rules are designed to help both individuals and entity sellers in preparing their tax return by providing them with an information statement of the amount of consideration they have earned through the platforms, as well as any fees, commissions and taxes paid or withheld by platform operator. At the same time, the rules also aim to ensure that activities by such sellers do not remain undetected by tax administrations in instances where such sellers do not declare income earned through the platforms. The rules require annual reporting to tax administrations and sellers by 31 January of the year following the reportable period. This is to facilitate the prefilling of tax returns by tax administrations and to allow sellers to compute their taxes and file their tax returns in a timely manner.
- **promote standardisation** of reporting rules between jurisdictions in order to help platforms comply with reporting obligations across different jurisdictions, by allowing them to follow largely similar processes for gathering and reporting information on the transactions and identity of the platform sellers. While one of the key objectives of the Model Rules is to avoid unnecessary compliance costs stemming from the further proliferation of differing reporting rules, this work does not seek to dictate to any jurisdiction whether it should introduce the Model Rules, but rather encourage that where it does so, its reporting rules are consistent with these Model Rules.
- **ensure that the information collected, reported and exchanged is of high-quality and relevant to tax administrations**: the due diligence and reporting requirements of the Model Rules have been designed to collect and report only such information that is of good quality and relevant to the work of tax administrations. With respect to the identity and residence of sellers, the name, address, TIN and date of birth (or business registration number) are collected, regularly updated and verified, as these items are all crucial to permit tax administrations to successfully match a third-party report to their domestic taxpayer database. In the same spirit, the Model Rules also foresee the option to report the financial account identifier pertaining to the seller, provided that

such information is available to the platform operator and the receiving jurisdiction has indicated that it requires such information for taxpayer matching purposes. In terms of the reporting requirements with respect to the relevant services, the Model Rules foresee an aggregate annual reporting of the transactions, by type and quarter.

- **promote international co-operation** between tax administrations to ensure tax administrations get access to information on income earned by resident platform sellers, including from platforms that are located in other jurisdictions. To achieve this, the rules provide that each platform operator reports information to the tax authorities of the jurisdiction in which it is resident. The competent authorities of this jurisdiction would then exchange the information with other partner jurisdictions to the extent that it relates to transactions involving sellers that are resident in, or immovable property located in, such jurisdictions. This approach provides a legal basis for the reporting requirements, helps address data privacy concerns and makes it easier for each tax administration to ensure compliance by sellers.
- **provide a reporting regime that can also be used for other tax-related purposes:** While the primary focus of the Model Rules is on facilitating and enhancing compliance of platform sellers with their direct tax obligations, the information reported may also have relevance for other domains, such as indirect taxes, local taxes and social security contributions. In particular, such information, which includes the consideration received and the types of services provided in addition to the seller's tax identification data, is likely to be relevant for VAT/GST compliance purposes in the jurisdictions receiving the information. Where the relevant services are subject to VAT/GST in the seller's jurisdiction, which is typically the case for the majority of the relevant services under these Model Rules, the information collected will also be relevant to monitor the seller's obligation to report and remit the VAT/GST on these services. The same applies for the jurisdiction where the rented immovable property is located, which will be able to use the information received under the Model Rules to monitor compliance with VAT/GST obligations in respect of the relevant services connected to this immovable property. While the information covered by the Model Rules will thus be valuable for VAT/GST compliance purposes in respect of most of the relevant services, it is recognised that these Model Rules will not satisfy all VAT/GST reporting needs in respect of services that could be subject to VAT/GST in another jurisdiction than that where the seller is resident (e.g. the jurisdiction where the service is performed or where the customer is located). Where the information exchanged pursuant to these Model Rules is intended to be used for purposes other than the administration of direct taxes by the receiving tax administration, jurisdictions should ensure that the information is shared and used in compliance with the relevant confidentiality and appropriate use provisions of the underlying international exchange instrument, such as Article 22 of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters.
- **promote the development of new technical solutions to support the performance of due diligence:** the Model Rules foresee the possibility to confirm the identity and tax residence of a seller through a so-called government verification service. This approach would permit the direct confirmation of the identity and residence of a taxpayer through an electronic process made available by a government. These new technology solutions are already in place in some jurisdictions, including for the purposes of identifying and reporting platform sellers. These solutions can significantly enhance the quality of the information, while at the same time eliminating most of the compliance burdens for platform operators.
- **ensure that the scope is and remains adequate, efficient and targeted:** the current scope of the Model Rules includes the rental of immovable property and personal services, including the provision of transportation and delivery services. These are the sectors that pose certain tax compliance risks in light of their scale, the income they generate and the profile of the sellers involved. By ensuring that the rules capture only these types of services and that the information is made available to the jurisdiction(s) in which there is likely to be a tax impact, the rules seek to

be adequate, efficient and targeted, thereby balancing the scope of the information reported with the needs of tax administrations and the burdens for platform operators. At the same time, it is acknowledged that digital markets are rapidly evolving, which may mean that other types of transactions become relevant on the basis of the above criteria in the future. The development of the market will therefore be closely monitored with a view to assess the need to incorporate further types of services such as the rental of moveable assets and peer-to-peer lending. In addition, a number of jurisdictions are interested in further developing the Model Rules to also include sales of goods. When including new transactions in the future, consideration on a multilateral basis will need to be given to the right scope of transactions and sellers subject to reporting under the Model Rules, as well as the accommodation of indirect tax considerations. In particular in the area of the sale of goods, the scope and reporting flows would need to be adjusted in order to ensure an efficient and proportionate reporting framework that takes into account VAT/GST compliance needs.

Section I: Definitions

Model Rules

A. Reporting Platform Operators

1. A **“Platform”** means any software, including a website or a part thereof and applications, including mobile applications, accessible by users and allowing Sellers to be connected to other users for the provision of Relevant Services, directly or indirectly, to such users. The operations of the Platform may also include the collection and payment of Consideration in respect of Relevant Services. The term Platform does not include software exclusively allowing the:

- a) processing of payments in relation to Relevant Services;
- b) listing or advertising of Relevant Services; or
- c) redirecting or transferring of users to a Platform

without any further intervention in the provision of Relevant Services.

2. A **“Platform Operator”** is an Entity that contracts with Sellers to make available all or part of a Platform to such Sellers.

3. *[Optional provision –*

An **“Excluded Platform Operator”** is a Platform Operator that

- a) facilitates the provision of Relevant Services for which the aggregate Consideration at the level of the Platform over the previous calendar year is less than EUR 1 million and that notifies the tax administration of [jurisdiction] that it elects to be treated as such;
- b) demonstrates to the satisfaction of the tax administration of [jurisdiction] that the Platform’s entire business model is such that it does not allow Sellers to derive a profit from the Consideration; or
- c) demonstrates to the satisfaction of the tax administration of [jurisdiction] that the Platform’s entire business model is such that it does not have Reportable Sellers.]

4. A **“Reporting Platform Operator”** is any Platform Operator[, other than an Excluded Platform Operator,] that is resident for tax purposes in [jurisdiction] or, where a Platform Operator does not have a residence for tax purposes, either:

- a) is incorporated under the laws of [jurisdiction]; or
- b) has its place of management (including effective management) in [jurisdiction].

5. A **“Relevant Service”** is:

- a) the rental of immovable property; or
- b) a Personal Service

for Consideration.

6. “**Consideration**” is compensation in any form that is paid or credited to a Seller in connection with Relevant Services, the amount of which is known or reasonably knowable by the Platform Operator.

7. A “**Personal Service**” is a service involving time- or task-based work performed by one or more individuals at the request of a user, unless such work is purely ancillary to the overall transaction. A Personal Service does not include a service provided by a Seller pursuant to an employment relationship with the Platform Operator or a related Entity of the Platform Operator.

B. Reportable Sellers

1. A “**Seller**” is a Platform user that is registered at any moment during the Reportable Period on the Platform for the provision of Relevant Services.

2. An “**Active Seller**” is any Seller that either provides Relevant Services during the Reportable Period or is paid or credited Consideration in connection with Relevant Services during the Reportable Period.

3. A “**Reportable Seller**” is any Active Seller, other than an Excluded Seller, that is resident in a Reportable Jurisdiction or provided Relevant Services for the rental of immovable property located in a Reportable Jurisdiction or is paid or credited Consideration in connection with Relevant Services for the rental of immovable property located in a Reportable Jurisdiction, as determined based on the due diligence procedures set out in Section II.

4. An “**Excluded Seller**” is any Seller:

- a) that is an Entity for which the Platform Operator facilitated more than 2,000 Relevant Services for the rental of immovable property in respect of a Property Listing during the Reportable Period;
- b) that is a governmental entity; or
- c) that is an Entity the stock of which is regularly traded on an established securities market or a related Entity of an Entity the stock of which is regularly traded on an established securities market.

C. Other definitions

1. A “**Partner Jurisdiction**” is any jurisdiction that has an agreement or arrangement in effect with [jurisdiction] pursuant to which it is exchanging on an automatic basis the information specified in Section III with [jurisdiction] and that is identified as such in a published list.

2. A “**Reportable Jurisdiction**” is [jurisdiction] and any jurisdiction with which [jurisdiction] has an agreement or arrangement in effect pursuant to which [jurisdiction] is exchanging on an automatic basis the information specified in Section III and which is identified as such in a published list.

3. An “**Entity**” is a legal person or a legal arrangement, such as a corporation, partnership, trust or foundation.

4. A “**TIN**” is a Taxpayer Identification Number, including a VAT/GST Registration Number issued by the jurisdiction of the Primary Address of the Seller, or a functional equivalent in the absence of a Taxpayer Identification Number.

5. A “**Government Verification Service**” is an electronic process made available by a Reportable Jurisdiction to a Platform Operator for the purposes of ascertaining the identity and tax residence of a Seller.

6. A “**Primary Address**” is the address that is an individual Seller’s primary residence, as well as the address that is an Entity Seller’s registered office.

7. A “**Reportable Period**” is a calendar year with respect to which a Platform Operator is a Reporting Platform Operator.
8. A “**Property Listing**” includes all immovable property units located at the same street address and offered for rent on a Platform by the same Seller.
9. A “**Financial Account Identifier**” is the unique identifying number or reference available to the Platform Operator of the bank account or other payment account to which the Consideration is paid or credited.

Commentary

1. Section I contains the defined terms, grouped around three themes: A) Reporting Platform Operators; B) Reportable Sellers and C) Other Definitions.

Paragraph A – Reporting Platform Operators

Platform

2. The term “Platform” is defined in Subparagraph A(1) to mean any software, including a website or a part thereof and applications, including mobile applications, accessible by users and allowing Sellers to be connected to other users for the provision of Relevant Services, directly or indirectly, to such users.
3. The definition of “Platform” requires that the allocation of opportunities for Sellers to provide Relevant Services to users is supported by an application or other platform technology, irrespective of whether such Relevant Services are provided directly by third party sellers to such users or whether the platform first purchases such services and then offers these services in its own name to users. For example, a food delivery platform that “buys-in” the services of third-party sellers to deliver food to its users in its own name, would be considered a Platform.
4. The definition of “Platform” also encompasses operations to collect the Consideration from the users, with a view to then paying out such Consideration to the Seller, either partly or wholly prior to, or after the provision of the Relevant Service.
5. The term “Platform” does, however, not include software that exclusively facilitates the processing of payments in relation to Relevant Services, the mere listing or advertising of Relevant Services or the transfer of users to another Platform, provided in each case that there is no further intervention in the provision of Relevant Services. This is to clarify that pure payment processors, classified ads boards and online aggregators do not meet the definition of “Platform”, given that they do not immediately intermediate the linking-up between Sellers and other users for the provision of Relevant Services and the collection of Consideration for such Relevant Services.

Platform Operator

6. Subparagraph A(2) defines the term “Platform Operator” as an Entity that contracts with the Sellers to make available all or part of a Platform to such Sellers. In light of the definition of the term “Platform”, this definition seeks to capture both Entities that contract to make the software of the Platform available, as well as those that collect Consideration for Relevant Services facilitated through the Platform from users.
7. The Entities that are Platform Operator(s) by virtue of this definition should be well placed to ensure the completion of the due diligence procedures and reporting requirements under the Model Rules, as such Entities assume various legal obligations in respect of the Seller, including the provision of the Platform as well as keeping records of transactions and related payments. As a result, such Entities receive

information required to establish the contract with the Seller and enable access to the Platform, including the Seller's name and address and in many cases will also have access to transactional information. In addition, such Entities can contractually require Sellers to provide the information and documentation required to comply with the Model Rules.

Excluded Platform Operator

8. Subparagraph A(3) defines, as an optional provision, the term “Excluded Platform Operator” as a Platform Operator that facilitates the provision of Relevant Services for which the aggregate Consideration at the level of the entire Platform over the previous calendar year is less than EUR 1 million and notifies the tax administration of [jurisdiction] that it elects to be treated as such or a Platform Operator that demonstrates to the satisfaction of the tax administration of [jurisdiction] that the Platform's entire business model is such that either it does not allow any Seller to derive a profit from the Consideration or that it does not have Reportable Sellers.

9. Implementing jurisdictions may choose whether they wish to include a carve-out from the obligations of the Model Rules for one or more of these categories of Platform Operators, by including the term “Excluded Platform Operator” in their legislation. In line with the overall optional nature of this provision, the carve-out should not be wider than the scope of subparagraph A(3), but may be more limited, in case jurisdictions wish to only provide a carve-out for a subset of the cases set out in subparagraph A(3).

10. The definition under subparagraph A(3)(a) allows Platform Operators that do fall in scope of the carve-out, by virtue of the limited amount of Consideration for the Relevant Services the underlying Platform facilitates, such as start-ups, to decide whether they want to benefit from the carve-out as Excluded Platform Operators or whether they prefer to be subject to the Model Rules as Reporting Platform Operators from the outset. For Platform Operators that expect rapid growth, being subject to the Model Rules from the outset may be beneficial, as it would allow them to apply the due diligence procedures from the beginning of their business, which is likely to facilitate the collection and verification of the required information in an efficient manner.

11. Subparagraph A(3)(b) addresses Platform Operators that facilitate cost-sharing services, such as ride-sharing, provided that the entire underlying business model of the Platform is such that Sellers cannot derive a profit from facilitating Relevant Services through the Platform. This should be demonstrated to the satisfaction of the tax administration of the implementing jurisdiction through an explanation of all the arrangements in place that ensure that Sellers cannot derive a profit from offering Relevant Services. This could for instance include the fact that only individuals can register as Sellers, and that the prices for the Relevant Services provided by such individual Sellers are set in a manner that the Consideration received by the Seller cannot surpass the costs incurred to provide the service. It is for [jurisdiction] to determine the appropriate mechanism for a Platform Operator to satisfactorily demonstrate upfront and on an annual basis that it meets the conditions for being considered an Excluded Platform Operator pursuant to subparagraph A(3)(b), including the calendar year(s) covered.

12. Subparagraph A(3)(c) also allows Platform Operators that facilitate the provision of Relevant Services through the Platform only for Sellers that are not Reportable Sellers to be excluded from the scope of these rules. This would for instance be the case when a Platform Operator only allows Excluded Sellers, such as large-scale hotels or governmental entities, to access the Platform, thereby ensuring that there are no Reportable Sellers under these rules. In those instances, the fact that the Platform operated by the Platform Operator is only accessible to Sellers that are not Reportable Sellers can be demonstrated to the tax administration of the implementing jurisdiction through an explanation of all the arrangements in place that ensure that no Reportable Sellers can access the Platform. It is for [jurisdiction] to determine the appropriate mechanism for a Platform Operator to satisfactorily demonstrate upfront and on an annual

basis that it meets the conditions for being considered an Excluded Platform Operator pursuant to subparagraph A(3)(c), including the calendar year(s) covered.

Reporting Platform Operator

13. Subparagraph A(4) defines the term “Reporting Platform Operator” as any Platform Operator, other than an Excluded Platform Operator, that is resident for tax purposes in [jurisdiction] or, where a Platform Operator does not have a residence for tax purposes, either:

- a) is incorporated under the laws of [jurisdiction]; or
- b) has its place of management (including effective management) in [jurisdiction].

14. Subparagraph A(4) is designed to capture any Platform Operator with a sufficient connection with [jurisdiction] for the authorities of [jurisdiction] to be able to require compliance with the Model Rules.

Relevant Service and Personal Service

15. Subparagraph A(5) defines a “Relevant Service” as:

- a) the rental of immovable property; or
- b) a Personal Service

for Consideration.

16. Under Subparagraph A(5)(a), immovable property includes both residential and commercial property, as well as other immovable property and parking spaces. Relevant Services include both short and long-term rentals of immovable property, irrespective of the nature of the rights (freehold, leasehold, rental, usufruct or other) held by the Seller over the rented immovable property. The Excluded Seller definition provides for an exclusion in respect of large commercial providers of hotel accommodation from the scope of reporting (see Subparagraph B(4)(a) of Section I and the related Commentary).

17. A Personal Service for purposes of Subparagraph A(4)(b) is defined in Subparagraph A(7) as a service involving time- or task-based work performed by one or more individuals at the request of a user, unless such work is purely ancillary to the overall transaction. This includes a wide scope of services, such as transportation and delivery services, manual labour, tutoring, copywriting, data manipulation as well as clerical, legal or accounting tasks, provided they are carried out following a specific request of a particular (set of) user(s). As such, publicly-accessible transportation services operated in accordance with a pre-determined timetable, such as coach, train and airplane services do not constitute a Personal Service.

18. Personal Services usually fall into one of two categories. On the one hand there is work that can be carried out online and is thus capable of being delivered to other users anywhere in the world, including tutoring, IT services, data entry or copywriting. On the other hand there are services that, while facilitated via a Platform, are physically carried out offline, usually at a specific physical location, including transportation and delivery services, housekeeping, gardening or renovation work.

19. Time or task-based services performed by one or more individuals where the Seller is an Entity that has engaged the individual(s) to perform the services will also meet the definition of Personal Service. For example, an Entity Seller providing transportation services by relying on one or more individual drivers will be treated as providing Personal Services involving transportation.

20. Equally, time or task-based services performed jointly and/or simultaneously by more than one Seller at the request of a single user, including “crowd-work” arrangements, will also meet the definition of a Personal Service. For example, a user may request support from multiple Sellers to process a single spreadsheet, splitting the task between the individual Sellers. In this case, each of these tasks will constitute a Personal Service.

21. In the same spirit, time- or task-based services that are simultaneously provided to more than one user, such as online language classes, musical or artistic performances or sports sessions (including those provided via streaming technology) will also qualify as a Personal Service between the Seller and each of the users.

22. While most Personal Services are provided on a short-term ad-hoc basis, longer-term assignments can also meet the definition of Personal Services, for example seasonal or temporary work provided at restaurants, hotels or events, as well as longer-term freelance arrangements.

23. However, Personal Services do not include services provided by a Seller pursuant to a legally-recognised employment relationship with the Platform Operator or a related Entity of the Platform Operator. The determination as to whether the services were performed under an employment relationship is to be made on the basis of the applicable labour laws, which in general include the labour law of the jurisdiction in which the Seller physically performs the services. An Entity is a related Entity of another Entity if either Entity controls the other Entity, or the two Entities are under common control. For this purpose control includes direct or indirect ownership of more than 50% of the vote and value in an Entity.

24. It is acknowledged that there may be transactions involving elements of both goods and services. In such cases, it may not be immediately apparent whether a transaction is for the provision of Relevant Services.

25. A Reporting Platform Operator should first determine whether a transaction is for the sale of goods or the provision of services and, if the latter, whether the provided service is a Relevant Service. In most cases, the classification of a transaction should be clear. For instance, a transfer of the right to dispose of tangible property without an element of time or task based work should be treated as a sale of goods. As well, the mere packaging of a sold good would not be a Personal Service, as this is a purely ancillary service to the sale of goods.

26. If a transaction involves elements of both Relevant Services and components that are not subject to reporting, and both elements can be split or identified by the Reporting Platform Operator, the Reporting Platform Operator may report only in respect of the Relevant Service component. Components of a transaction can generally be identified or split where the relevant parts of the transaction could be supplied independently.

27. For example, where a Seller provides a tiling service and also supplies the installed tiles, a core component of the transaction is the sale of goods (i.e. the tiles) and this element of the transaction will therefore not qualify as a Relevant Service. Nonetheless, another key component is the installation of the tiles by the Seller, which meets the definition of a Personal Service as it involves the performance of time or task-based work by one or more individuals at the request of the customer. In this case, to the extent that the Reporting Platform Operator is able to determine the part attributable to the installation service, that portion of the transaction should be reported upon as a Relevant Service for the purposes of the Model Rules.

28. Where the elements cannot be split or identified, the entire transaction should be subject to reporting, unless the Relevant Service component is purely ancillary to the non-reportable element of the transaction. In this context, the question whether an element is purely ancillary to the overall transaction or not should be determined in light of the services and/or goods provided by the Seller as part of the transaction.

29. For instance, the delivery services provided by a Seller would not be purely ancillary to the supply of goods if the goods are provided by another party, such as a restaurant, and therefore the delivery would be considered a Personal Service of the Seller. Similarly, an alteration or tailoring service performed by a Seller on clothing provided by a user would be considered a Personal Service and would not be viewed as ancillary to the supply of goods when the Seller delivers the finished product to the user.

30. On the other hand, where a Seller sells and subsequently ships goods to a consumer, the element of the transaction involving the Seller's labour in mailing the goods can be seen as purely ancillary to the supply of goods and, as the transaction does not feature any other Relevant Services, the Consideration will not need to be reported upon.

31. To ensure that the rules remain future proof in light of the rapid pace of development within the sharing and gig economy and the emergence of new business models, jurisdictions may wish to include an expansion mechanism within the definition of Relevant Service, to the extent possible under domestic law, so that further categories of services may be added through secondary legislation if the need is agreed at the multilateral level. Such an expansion mechanism could be provided for through the addition of a third category of Relevant Service, namely "c) any other service, as determined in secondary legislation of [jurisdiction]".

Consideration

32. Subparagraph A(6) defines "Consideration" as compensation in any form paid or credited to a Seller in connection with Relevant Services, the amount of which is known, or reasonably knowable, by the Platform Operator.

33. For the purposes of Subparagraph A(6), Consideration can take any form including money, cryptocurrencies or payments in kind.

34. Consideration includes tips, gratuities and incentives paid or credited to a Seller.

35. However, the amount of the Consideration must be known or be reasonably knowable by the Reporting Platform Operator. Consequently, amounts that cannot be reasonably knowable to the Reporting Platform Operator, in light of its business model or the type of Consideration, would not be treated as Consideration for the purposes of subparagraph A(6).

36. Compensation is considered to be paid or credited to a Seller if it is paid or credited to an account specified by the Seller, even if such account is not in the name of the Seller. As Consideration is defined as the compensation paid or credited to the Seller, the amount of the Consideration is the amount net of any fees, commissions or taxes withheld or charged by the Reporting Platform Operator.

37. Where Consideration in exchange for a Relevant Service is paid or credited to a Seller in any form other than fiat currency, it should be reported in the local currency of [jurisdiction], converted or valued in a manner that is consistently determined by the Reporting Platform Operator.

38. Depending on the business model of the Reporting Platform Operator in question, Consideration may flow directly between consumers and Sellers or may be subject to intermediation by the Reporting Platform Operator. This includes cases where the Reporting Platform Operator acts as a collecting agent on behalf of the Seller, i.e. collects Consideration in respect of Relevant Services on behalf of the Seller.

39. The "reasonably knowable" notion requires that the knowledge of any service providers and other Platform Operators of the Platform is also considered when determining the Consideration in respect of Relevant Services facilitated by the Platform.

40. Circumstances where amounts paid or credited to a Seller in connection with Relevant Services are reasonably knowable by a Reporting Platform Operator include those where the Reporting Platform Operator withholds or receives a fee, commission or taxes set in reference to the amounts paid by users in respect of Relevant Services.

Paragraph B – Reportable Sellers

Seller

41. Subparagraph B(1) defines a “Seller” as a Platform user that is registered at any moment during the Reportable Period with the Platform for the purposes of the provision of Relevant Services. In this light, Sellers can include both individuals and Entities.

42. For the purposes of Subparagraph B(1), “registered” is to be interpreted broadly and includes instances where a user has created a profile or account on the Platform as well as entered into a contractual relationship with the Platform Operator of the Platform.

Active Seller

43. Subparagraph B(2) defines an “Active Seller” as any Seller that provides Relevant Services during the Reportable Period or is paid or credited Consideration in connection with Relevant Services during the Reportable Period. A Seller that neither provides any Relevant Services during the Reportable Period nor is paid or credited Consideration in connection with Relevant Services during the Reportable Period is not an Active Seller in respect of such period.

Reportable Seller

44. Subparagraph B(3) defines a “Reportable Seller” as any Active Seller, other than an Excluded Seller, that is either resident in a Reportable Jurisdiction or provided Relevant Services for the rental of immovable property located in a Reportable Jurisdiction or is paid or credited Consideration in connection with Relevant Services for the rental of immovable property located in a Reportable Jurisdiction. As such, the question as to whether an Active Seller is a Reportable Seller will need to be determined on the basis of the due diligence procedures set out in Section II.

Excluded Seller

45. Subparagraph B(4) defines three categories of “Excluded Sellers” that represent a limited compliance risk and are therefore carved out from the scope of the rules.

46. The category of Excluded Sellers described under subparagraph B(4)(a) aims at excluding large providers of hotel accommodation that provide accommodation at a high frequency (i.e. at least 2,000 Relevant Services per year in respect of a Property Listing) that is unlikely to be replicated by a Seller in the gig and sharing economy. Such businesses should already be aware of their tax obligations and the tax administration should generally be in a position to verify compliance with the relevant tax filing obligations on the basis of other existing information sources.

47. A governmental entity described under subparagraph B(4)(b) includes the government of a jurisdiction, any political subdivision or a local authority of a jurisdiction and any wholly owned agency, controlled entity or instrumentality of a jurisdiction.

48. The category of subparagraph B(4)(c) excludes Entities the stock of which is regularly traded on an established securities market, as these Entities are generally subject to other forms of regulatory supervision and transparency, which promotes compliance by these Entities with their tax obligations. The exclusion also covers Entities related to the traded Entity (see Commentary on Personal Service above).

Paragraph C – Other Definitions

Partner Jurisdiction

49. Subparagraph C(1) defines a “Partner Jurisdiction” as any jurisdiction which is identified in a published list as a Partner Jurisdiction and which has an agreement or arrangement in effect with [jurisdiction] pursuant to which it is exchanging on an automatic basis the information specified in Section III with [jurisdiction].

50. This term is relevant in the context of the subparagraph H(2) of Section II, which foresees that a Reporting Platform Operator may rely on another Platform Operator to complete the due diligence procedures set out in Section II in respect to all or a category of Sellers, provided that the other Platform Operator applies the rules of [jurisdiction] or substantially similar rules in effect in a Partner Jurisdiction. This is to ensure that the due diligence procedures are carried out to an acceptable standard, even if they are ensured by a Platform Operator that is subject to the legislation of another jurisdiction.

51. The purpose of the published list is to provide certainty to Reporting Platform Operators as to the jurisdictions of other Platform Operators that qualify for the application of subparagraph H(2) of Section II.

Reportable Jurisdiction

52. Subparagraph C(2) defines a “Reportable Jurisdiction” as [jurisdiction] and any jurisdiction which is identified in a published list as a jurisdiction with which [jurisdiction] is exchanging the information specified in Section III.

53. This term is relevant for the scope of Reportable Sellers subject to the reporting pursuant to Section III. Under the Model Rules, Reporting Platform Operators are required to report in their jurisdiction of tax residence and report in respect of Reportable Sellers resident in Reportable Jurisdictions, as well as immovable property located in Reportable Jurisdictions.

54. The Model Rules work on the basis that the jurisdiction implementing the rules will be interested in receiving information in respect of Sellers resident in their jurisdiction. Where this is not the case, or when such information is already received under other reporting arrangements, the jurisdiction may remove the term “[jurisdiction] and” from the definition of “Reportable Jurisdiction”.

55. The purpose of the published list is to reflect the exchange of information landscape so the only information that is collected is information that is needed for the exchange. It is expected that a jurisdiction should be able to regularly revise its published list based on the applicable legal mechanisms, including secondary legislation.

56. It is expected that, by default, Reportable Jurisdictions would include any jurisdictions with whom information collected under the Model Rules can be exchanged in respect of a particular Reportable Period. However, to the extent that this is permissible under data protection and similar legislation, a jurisdiction can require reporting on all Sellers. In such cases, the jurisdiction could then exchange information in respect of such Sellers once the jurisdiction has put in place the relevant exchange instrument.

Entity

57. Subparagraph C(3) defines an “Entity” as a legal person or a legal arrangement, such as a corporation, partnership, trust or foundation. This term is intended to cover any person other than an individual (i.e. a natural person), in addition to any legal arrangement. For instance, a corporation, partnership, trust, foundation, company, co-operative, or association falls within the meaning of the term “Entity”.

TIN

58. A Tax Identification Number (“TIN”) is a unique number (or combination of numbers and letters) issued by most jurisdictions to its taxpayers for the purposes of identifying these individuals and entities as taxpayers in that jurisdiction, either for direct and/or indirect tax purposes. TIN specifications (i.e. structure, syntax, etc.) are set by each jurisdiction’s tax administrations.

59. In this light, subparagraph C(4) defines a “TIN” as a Taxpayer Identification Number, including a VAT/GST Registration Number, issued by the jurisdiction of the Primary Address of the Seller or a functional equivalent in the absence of a Taxpayer Identification Number. The requirement that the TIN needs to be issued by the jurisdiction of the Primary Address of the Seller is to ensure that the TIN can be used by receiving tax administrations to link Sellers to their domestic taxpayer databases.

60. Jurisdictions that do not issue TINs often use some other high integrity number with an equivalent level of identification (a “functional equivalent”). Examples of that type of number include, for individuals, a social security/insurance number, citizen/personal identification/service code/number, and resident registration number. For Entities this can be a business/company registration code/number, provided that such number is indeed used as a TIN in the jurisdiction of (tax) residence of the Entity.

Government Verification Service

61. Subparagraph C(5) defines a “Government Verification Service” as an electronic process made available by a Reportable Jurisdiction to the Reporting Platform Operator for the purposes of ascertaining the identity and tax residence of a Seller. Under the Model Rules, the [jurisdiction] may determine the scope of Government Verification Services that it considers appropriate for these purposes.

62. Such services may include the use of Application Programming Interfaces (APIs) and any other government-authorised solutions that allow Reporting Platform Operators to confirm the identity and/or tax residence of a Seller.

63. Where a tax administration opts for identification of Sellers based on an API solution, it would normally make an API portal accessible to Reporting Platform Operators. Subsequently, if a Seller is identified as linked to that jurisdiction for tax purposes during the Platform on-boarding process, the Reporting Platform Operator can redirect the Seller to the API portal which would allow the jurisdiction to identify the Seller based on its domestic taxpayer identification requirements (for example a TIN or government ID/username). Upon successful identification of the Seller as a taxpayer of that jurisdiction, the jurisdiction, via the API portal, would provide the Reporting Platform Operator with a unique reference number or code allowing the jurisdiction to match the Seller to a taxpayer within its database. Where the Reporting Platform Operator subsequently reports information concerning that Seller, it would include the unique reference number or code to allow the jurisdiction receiving the information to enable matching of the Seller.

64. Pursuant to multilateral or bilateral discussions with its exchange partners, the details of accepted Government Verification Services should be clarified in the underlying agreement or arrangement in effect with [jurisdiction] pursuant to which it is exchanging on an automatic basis the information specified in Section III with [jurisdiction].

Primary Address

65. Subparagraph C(6) defines a “Primary Address” as the address that is an individual’s primary residence, as well as the address that is an Entity’s registered office. For individual Sellers, the purpose of collecting Primary Address information is to determine where the Seller lives, thereby allowing the Reporting Platform Operator to link the Seller to that jurisdiction for the purposes of Paragraph D(1) of Section II and thus for reporting under the Model Rules. The same principle applies to Entity Sellers

whereby the Reporting Platform Operator should treat the Entity's registered office as the Primary Address and link the Entity Seller to the jurisdiction in which its registered office is located.

66. Where in the course of on-boarding individual sellers a Reporting Platform Operator collects "home", "billing" or "residential" address information with the intention of treating such information as the Primary Address, the Reporting Platform Operator should ensure that the Seller is made aware that the address sought is that at which the Seller lives and considers its primary residence.

67. While, in many cases, the Seller's home address is likely to correspond to the Seller's billing address, where these two information items differ, the home address should be treated as the Seller's Primary Address. However, in cases where the Reporting Platform Operator only collects billing address information, such address can be treated as the Seller's Primary Address.

Reportable Period

68. Subparagraph C(7) defines a "Reportable Period" as any calendar year with respect to which a Platform Operator is a Reporting Platform Operator. As such, any year in which a Platform Operator is a Reporting Platform Operator (and is not an Excluded Platform Operator) will be a Reportable Period for that Reporting Platform Operator.

Property Listing

69. Under Subparagraph C(8), a "Property Listing" includes all immovable property units located at the same street address and offered for rent on a Platform by the same Seller.

70. For the purposes of the definition of Property Listing, an "immovable property unit" can include a hotel room, apartment, house, parking space or other form of immovable property rented via a Platform.

71. In this light, multiple hotel rooms rented by a Seller as part of a hotel with the same street address are treated as a single Property Listing. Similarly, separate apartment units rented in a building with a single street address by the same Seller are also treated as a Property Listing.

Financial Account Identifier

72. Under Subparagraph C(9), a "Financial Account Identifier" is the unique identifying number or reference available to the Reporting Platform Operator of the bank account or other type of payment account to which the Consideration is paid or credited.

73. This term is relevant for the reporting requirements under subparagraphs B(2)(c) and B(3)(c) of Section III and includes the IBAN number, sort code and account number, and payment account identifier that the Reporting Platform Operator uses for transferring the Consideration in respect to a Reportable Seller.

74. A Financial Account Identifier is also considered to be available to a Reporting Platform Operator when it is available to another Platform Operator of the same Platform, as well as any third-party service provider.

Section II: Due diligence procedures

Model Rules

A. Sellers not subject to review

1. For the purpose of determining whether an Entity Seller is an Excluded Seller described in subparagraph B(4)(a) of Section I, a Reporting Platform Operator may rely on its available records.
2. For the purpose of determining whether an Entity Seller is an Excluded Seller described in subparagraph B(4)(b) or (c) of Section I, a Reporting Platform Operator may rely on publicly available information or a confirmation from the Entity Seller.

B. Collection of Seller information

1. The Reporting Platform Operator must collect the following information for each individual Seller:
 - a) the first and last name;
 - b) the Primary Address;
 - c) the TIN issued to the Seller, including the jurisdiction of issuance; and
 - d) the date of birth.
2. The Reporting Platform Operator must collect the following information for each Seller that is an Entity and not an Excluded Seller:
 - a) the legal name;
 - b) the Primary Address;
 - c) the TIN issued to the Seller, including the jurisdiction of issuance; and
 - d) the business registration number.
3. Notwithstanding subparagraphs B(1) and (2), the Reporting Platform Operator is not required to collect information pursuant to subparagraphs B(1)(b) through (d) and B(2)(b) through (d) in case it relies on a Government Verification Service to ascertain the identity and tax residence of the Seller.
4. Notwithstanding subparagraphs B(1)(c) and B(2)(c) and (d), the TIN or the business registration number, respectively, are not required to be collected if:
 - a) the jurisdiction of residence of the Seller does not issue a TIN or business registration number to the Seller; or
 - b) the jurisdiction of residence of the Seller does not require the collection of the TIN issued to such Seller.

C. Verification of Seller information

1. The Reporting Platform Operator must determine whether the information collected pursuant to Paragraphs A(2), B and E is reliable, using all records available to the Reporting Platform Operator, as well as any publicly available electronic interface to ascertain the validity of the TIN.
2. Notwithstanding subparagraph C(1), for the completion of the due diligence procedures pursuant to subparagraph F(2) the Reporting Platform Operator may determine whether the information collected pursuant to Paragraphs A(2), B and E is reliable using electronically searchable records available to the Reporting Platform Operator.
3. In application of subparagraph F(3)(b) and notwithstanding subparagraphs C(1) and C(2), in instances where the Reporting Platform Operator has reason to know that any of the information items described in Paragraphs B or E may be inaccurate by virtue of information provided by the tax administration of [jurisdiction], it must verify such information item using reliable, independent-source documents, data or information.

D. Determination of jurisdiction of residence of Sellers

1. A Reporting Platform Operator must consider a Seller resident in the jurisdiction of the Seller's Primary Address.
2. Notwithstanding subparagraph D(1), a Reporting Platform Operator must consider a Seller resident in each jurisdiction confirmed by a Government Verification Service pursuant to subparagraph B(3).

E. Collection of information on rented immovable property

Where a Seller provides Relevant Services for the rental of immovable property, the Reporting Platform Operator must collect the address of each Property Listing.

F. Timing and validity of due diligence procedures

1. A Reporting Platform Operator must complete the due diligence procedures set out in Paragraphs A through E by 31 December of the Reportable Period.
2. Notwithstanding subparagraph F(1), for Sellers that were already registered on the Platform:
 - a) as of [date of entry into effect of rules in jurisdiction]; or
 - b) as of the date on which an Entity becomes a Reporting Platform Operator,
 the due diligence procedures set out in Paragraphs A through E are required to be completed by 31 December of the second Reportable Period for the Reporting Platform Operator.
3. Notwithstanding Paragraph F(1), a Reporting Platform Operator may rely on the due diligence procedures conducted in respect of previous Reportable Periods, provided:
 - a) the Primary Address of the Seller has been either collected and verified or confirmed within the last 36 months; and
 - b) it does not have reason to know that the information collected pursuant to Paragraphs A, B and E is or has become unreliable or incorrect.

G. Application of the due diligence procedures to Active Sellers only

A Reporting Platform Operator may elect to complete the due diligence procedures pursuant to Paragraphs A through F in respect of Active Sellers only.

H. Completion of the due diligence procedures by third parties

1. A Reporting Platform Operator may rely on a third-party service provider to fulfil the due diligence obligations set out in Section II, but such obligations remain the responsibility of the Reporting Platform Operator.
2. When a Platform Operator fulfils the due diligence obligations for a Reporting Platform Operator with respect to the same Platform pursuant to subparagraph H(1), such Platform Operator may carry out the due diligence procedures pursuant to substantially similar rules in its Partner Jurisdiction.

Commentary

1. The due diligence procedures are split into eight paragraphs. Paragraph A sets out the rules for identifying Excluded Sellers. Paragraph B sets out the information items that Reporting Platform Operators must collect in respect of Sellers, while paragraph C stipulates the verification process with respect to the information items collected. Paragraph D contains the rules for Reporting Platform Operators to determine the jurisdiction of residence of Sellers. Paragraph E sets out the specific collection requirements in relation to Relevant Services for the rental of immovable property. Paragraph F sets out the timing and validity period of the due diligence procedures, while Paragraph G gives Reporting Platform Operators the possibility to limit the application of due diligence procedures to Sellers that were Active Sellers in the Reportable Period. Finally, Paragraph H allows Reporting Platform Operators to rely on a third-party service provider, including another Platform Operator, to complete the due diligence procedures on their behalf.

Paragraph A – Sellers not subject to review

2. Subparagraph A(1) of Section II stipulates that a Reporting Platform Operator may rely on its available records in order to determine whether an Entity Seller is an Excluded Seller by virtue of being a large-scale hotel business, as described in subparagraph B(4)(a) of Section I. It is expected that the Reporting Platform Operator has at least the name and address of the Entity Seller on record in order to associate the Entity Seller to the Property Listing, with a view to determining whether more than 2,000 Relevant Services for the rental of immovable property were facilitated in respect of that Property Listing during the Reportable Period. While the determination in relation to the 2,000 Relevant Services threshold is to be made by the Reporting Platform Operator at the end of the Reportable Period on the basis of the actual transactions carried out, Reporting Platform Operators may put procedures in place to obtain early visibility from their Entity Sellers as to whether they are likely to meet the threshold in relation to one or more Property Listings.
3. Subparagraph A(2) of Section II states that Reporting Platform Operators may rely on publicly available information or a confirmation from the Entity Seller to identify governmental Entities and publicly-traded Entities that are Excluded Sellers and therefore not subject to reporting under the rules.

Paragraph B – Collection of Seller information

4. Paragraph B sets out the information that a Reporting Platform Operator should collect in respect of all Sellers, other than Excluded Sellers. For individual Sellers, this consists of a first and last name (as

well as a middle name where provided), the Primary Address, the TIN and its jurisdiction of issuance, and the date of birth.

5. For Entity Sellers, the legal name, the Primary Address, the TIN, including the jurisdiction of issuance, and the business registration number must be collected.

6. The information to be collected reflects the importance of the different information items to ensure that tax administrations can efficiently identify the Sellers within their taxpayer database and can, as such, use the information effectively. In this regard, the Primary Address information is instrumental in both determining the residence of Sellers, as well as for enabling successful taxpayer matching.

7. Similarly, the TIN is recognised as the single most useful information item for matching taxpayers and as such Reporting Platform Operators are required to collect a TIN from each Seller. Reporting Platform Operators are further required to collect the date of birth for individual Sellers. For Entity Sellers, Reporting Platform Operators are required to collect a business registration number.

8. Reporting Platform Operators must take adequate measures to ensure that the information items set out in Paragraph B are obtained.

9. While it is expected that most Reporting Platform Operators and/or jurisdictions, at least in the short-term, will rely on the default option under Subparagraphs B(1) and (2), Subparagraph B(3) foresees that a Reporting Platform Operator may rely on a Government Verification Service to ascertain the identity and tax residence of the Seller. The option to rely on a government-offered verification service (for example, through an API solution integrated in the Platform) aims to accommodate the use of new technology solutions that are already in place in some jurisdictions for purposes of identifying and reporting Sellers. It is expected that a list of the types of Government Verification Services that can be relied upon would be published by [jurisdiction], if a Government Verification Service is implemented by [jurisdiction].

10. With respect to subparagraph B(4)(a), a TIN or business registration number is considered not to be issued by the jurisdiction of residence of the Seller, (i) where the jurisdiction does not issue TINs or business registration numbers or (ii) where the jurisdiction has not issued a TIN or business registration number to a particular Seller.

11. The exception described in subparagraph B(4)(b) focuses on the domestic law of the Seller's jurisdiction of residence. Where the jurisdiction of residence of a Seller has issued a TIN to the Seller and the collection of such TIN cannot be required under such jurisdiction's domestic law (e.g. because under such law the provision of the TIN by a taxpayer is on a voluntary basis), the Reporting Platform Operator is not required to collect and report the TIN. The Reporting Platform Operator can determine this on the basis of publicly available information provided by the jurisdiction in question, including by means of national tax administration websites or the OECD AEOI Portal.

Paragraph C – Verification of Seller information

12. As a second step of the due diligence procedures, Paragraph C requires the Reporting Platform Operator to verify the reliability of the information obtained pursuant to Paragraphs A(2), B and E.

13. Pursuant to subparagraph C(1), the verification generally needs to be done by using all records available to the Reporting Platform Operator, unless the exception of subparagraph C(2) applies. Such information includes information the Reporting Platform Operator maintains or already collected for AML/KYC procedures, as part of its on-boarding or re-documentation procedures, for payment purposes or other commercial or regulatory ends.

14. As such, the name of a Seller must be verified against government identification documentation the Reporting Platform Operator holds, as well as by cross-checking the name with financial information, e-mail details and other information items the Reporting Platform Operator has available in its records.

15. Similarly, the Primary Address, as well as the jurisdiction of issuance of the TIN of a Seller must, for example, be verified against the transaction records of the Reporting Platform Operator, in case the Seller regularly provides Relevant Services that by their nature require the Seller to be present in a particular physical location that can be readily identified by the Reporting Platform Operator. This includes local transportation and delivery services, as well as household and certain professional services where the service needs to be performed in a particular place. Verification of the Primary Address and the jurisdiction of issuance of the TIN should also take other relevant information items into account that provide a solid link of the Seller to a jurisdiction, such as the persistent use of a local IP address or a telephone number.

16. With respect to the verification of the validity of the TIN, Reporting Platform Operators should make use of any publicly available automatic checking tools that permit the confirmation of the validity of the TIN or its structure.

17. With respect to Sellers that were already active on the Platform prior to the entry into effect of these rules or at the time where the Platform Operator became a Reporting Platform Operator, subparagraph C(2) provides that the verification of the information collected pursuant to Paragraphs A(2), B and E may be done on the basis of electronically searchable records already available to the Reporting Platform Operator only.

18. However, in case the Reporting Platform Operator concludes that a particular information item collected pursuant to Paragraphs B or E is not or no longer reliable, it is then required to collect new information and/or documentation that allows the Reporting Platform Operator to conclude that all information items under Paragraphs B and E are now reliable.

19. For example, information with respect to a Seller is no longer reliable where the Reporting Platform Operator has information that the Seller has changed its jurisdiction of residence information as part of its bank or other payment account details.

20. For the purposes of determining whether information is reliable, all information available to the Reporting Platform Operator conducting the due diligence procedures and other Platform Operators of the Platform, as well as any third-party service providers, as well as any governmental service to electronically validate TINs, should be taken into account. As such, the availability or collection of new information with respect to a pre-existing Seller that was subject to the verification procedure under subparagraph C(2) would, as a rule, trigger the obligation to verify all information pertaining to that Seller in accordance with the standard procedure under subparagraph C(1).

21. Subparagraph C(3) stipulates a special verification procedure in case a Reporting Platform Operator is informed by the tax administration of [jurisdiction] that certain or all information items that were previously collected and verified may be inaccurate. This would, for instance, be the case when a jurisdiction that has received information pursuant to an exchange of information agreement or arrangement provides feedback to the tax administration of [jurisdiction] that it was not able to match a record to a taxpayer or that it has otherwise reason to consider that the information is inaccurate.

22. In those cases, the Reporting Platform Operator must then re-apply the collection procedures pursuant to Paragraph B or E in relation to the information items to be found incorrect and verify such information items using reliable, independent-source documents, data or information, such as valid government-issued identification documents and recent tax residency certificates.

Paragraph D – Determination of jurisdiction of residence of Sellers

23. Paragraph D contains the due diligence procedures for purposes of determining the jurisdiction of residence of a Seller in order to inform the reporting under Section III. The rules foresee that a Reporting Platform Operator would complete two sequential steps in this respect.

24. Under the first, default step described in Subparagraph D(1), the Reporting Platform Operator must consider the Seller resident in the jurisdiction of the Seller's Primary Address.

25. Notwithstanding Subparagraph D(1), and given that Government Verification Services offer a high level of certainty about a Seller's identity and tax residence, under Subparagraph D(2) the Seller must be linked to the jurisdiction whose Government Verification Service was applied. This step can only be applied when a Reporting Platform Operator has relied on the Seller identification procedures pursuant to Subparagraph B(3).

Paragraph E – Collection of information on rented immovable property

26. Where the Seller provides Relevant Services for the rental of immovable property, Paragraph E requires Reporting Platform Operators to collect the address of the Property Listing, including the jurisdiction of each Property Listing.

27. It is expected that Reporting Platform Operators active in facilitating Relevant Services for the rental of immovable property will usually be aware of the details of properties offered by Sellers in order to relay this information to users.

28. Where, based on the information available to it, a Reporting Platform Operator is not aware of the precise address of the Property Listing, it must put procedures in place to reliably collect and verify the address.

29. Each jurisdiction identified as a result will also receive the information on the Seller and the Relevant Services for the rental of immovable property located in its jurisdiction.

Paragraph F – Timing and validity of due diligence procedures

30. Paragraph F prescribes the frequency with which the due diligence procedures must be completed and the period during which the due diligence procedures conducted remain valid.

31. Firstly, under subparagraph F(1), a Reporting Platform Operator must ensure that it has completed the full set of due diligence procedures with respect to its Sellers by 31 December of each Reportable Period. The rules afford flexibility as to the precise due diligence procedures adopted and the timing within which they are undertaken in the course of the Reportable Period.

32. Subparagraph F(2) recognises that Entities that become Reporting Platform Operators for the first time, for instance because of the introduction of the Model Rules, the formation of a new business, or because they change their activities and newly meet the definitional requirements, or because they no longer meet the applicable criteria to be considered an Excluded Platform Operator, may need time to fully operationalise the collection of information and documentation, and verification processes. In this light, Subparagraph F(2) grants transitional relief to such new Reporting Platform Operators. Therefore, the due diligence procedures set out in Paragraphs A through E are only required to be completed by 31 December of the second Reportable Period in which the new Reporting Platform Operator is subject to the Model Rules in these instances.

33. Acknowledging that in many instances the information collected and verified by Reporting Platform Operators in relation to their Sellers, as well as the conclusions drawn from the information to determine the jurisdictions to which each Seller is linked will not change over time, subparagraph F(3) stipulates that Reporting Platform Operators may continue to rely on the due diligence procedures conducted in respect of previous Reportable Periods provided that the Primary Address of each Seller has been either collected and verified or confirmed within the last 36 months and that the Reporting Platform Operator does not have reason to know that the information collected is or has become incorrect or unreliable.

34. For the purposes of the 36-month rule, the confirmation of the Primary Address can be operationalised by obtaining the Seller's explicit statement that the previously collected information is still valid and does not necessarily require the fresh collection of the Primary Address.

35. In case an information item is to be found not or no longer reliable, the information item will need to be obtained afresh and verified pursuant to Paragraphs B, E and C(1) in all instances, including if the information item relates to a pre-existing Seller, and unless the special verification procedure pursuant to paragraph C(3) applies.

Paragraph G – Application of the due diligence procedures to Active Sellers only

36. Paragraph G foresees the option for Reporting Platform Operators to only complete the due diligence procedures pursuant to Paragraphs A through F in respect of Active Sellers in the Reportable Period. This would allow Reporting Platform Operators to only collect and verify the information needed to comply with the requirements of Section II as from the moment a Seller becomes active on the Platform and provides Relevant Services.

37. At the same time, Reporting Platform Operators relying on this option must have adequate procedures and enforcement measures in place to ensure that all Active Sellers in a Reportable Period are fully documented pursuant to the due diligence requirements of Section II by 31 December of that Reportable Period. Such procedures and measures could for instance include a mechanism to no longer allow undocumented Sellers to access the Platform or to not pay out the Consideration to such Sellers.

Paragraph H – Completion of the due diligence procedures by third parties

38. Subparagraph H(1) foresees the possibility for a Reporting Platform Operator to rely on a third party service provider, including another Platform Operator, to fulfil the due diligence obligations set out in Section II.

39. This is particularly relevant in instances where an independent third-party service provider may have better resources and technologies to carry out the procedures. In such cases, the Reporting Platform Operator may use the services offered by a commercial third-party provider to ensure the completion of the due diligence procedures of Section II.

40. Subparagraph H(1) also seeks to avoid duplicative or multiple application of the due diligence procedures by Entities that are all Platform Operators with respect to the same Platform. In this respect, the definition of Platform Operator under Subparagraph A(2) of Section I takes into account that not all functionalities or services associated with a Platform are necessarily provided by a single Entity. In certain instances, these functionalities may be split among different Entities that could each be Platform Operators in respect of the Platform. For instance, one Platform Operator may provide Sellers access to the website to communicate and transact with other users and another Platform Operator (which may be located in a different jurisdiction) may collect the Consideration on behalf of Sellers. As a result there may be more than one Platform Operator in respect of the same Platform in [jurisdiction]. Equally, apart from the Platform Operator in [jurisdiction], there may be another Platform Operator in respect of the same Platform in another jurisdiction.

41. Therefore, where there is more than one Platform Operator in respect of the same Platform, under subparagraph H(1), any of the Platform Operators may ensure the completion of the due diligence procedures of another Platform Operator in respect of all, or a defined group of Sellers (e.g. by business line, Platform, residence of Sellers or other clearly defined and delineated criteria).

42. In order for a Reporting Platform Operator to be able to rely on a third party, including another Platform Operator, for the performance of the due diligence obligations under Section II, appropriate contractual arrangements should be put in place. Such arrangements should include an obligation for the

Reporting Platform Operator to make the information necessary to comply with these rules available to the third-party service provider. This would include information held by the Reporting Platform Operator that is needed by the third-party service provider to complete the due diligence procedures. The arrangements should also ensure that the Reporting Platform Operator can obtain any information collected and verified on Sellers from the third-party service provider to allow the Reporting Platform Operator to demonstrate compliance with the requirements of Section II, for instance in the framework of an audit.

43. It is important to note that the fact that a Reporting Platform Operator relies on a third party to complete the due diligence procedures does not mean that the Reporting Platform Operator is discharged from its obligations under Section II. Rather, subparagraph H(1) stipulates that the Reporting Platform Operator remains responsible for the completion of the due diligence procedures. As such, the Reporting Platform Operator should ensure that it has appropriate visibility, access and safeguards in relation to the due diligence procedures carried out by the third party at any moment in time.

44. Subparagraph H(2) stipulates that in cases where a Platform Operator completes the due diligence procedures for another Reporting Platform Operator with respect to the same Platform under the third-party service provider rule of subparagraph H(1), it may carry out the procedures pursuant to substantially similar rules in a Partner Jurisdiction, or the rules of [jurisdiction] based on subparagraph H(1). This is to ensure that the Platform Operator can rely on the rules in its own jurisdiction when it applies the due diligence procedures also for Reporting Platform Operators with respect to the same Platform, provided that these rules are substantially similar. This is of relevance for ensuring a streamlined and uniform due diligence procedure at the level of the Reporting Platform Operators, in particular when there are multiple Platform Operators across a number of jurisdictions in respect of the same Platform for which the Platform Operator ensures the completion of the due diligence procedures. In application of subparagraph H(1), the Reporting Platform Operator remains responsible for the completion of the due diligence procedures even where the other Platform Operator has completed the due diligence procedures on the basis of subparagraph H(2).

Section III: Reporting requirements

Model Rules

A. Time and manner of reporting

1. A Reporting Platform Operator must report to the tax administration of [jurisdiction] the information set out in Paragraph B with respect to the Reportable Period, no later than 31 January of the year following the calendar year in which the Seller is identified as a Reportable Seller.
2. A Reporting Platform Operator must also provide the information set out under subparagraphs B(2) and B(3) to the Reportable Seller to which it relates, no later than 31 January of the year following the calendar year in which the Seller is identified as a Reportable Seller.
3. Notwithstanding subparagraphs A(1) and A(2), the information in relation to a Reportable Seller is neither required to be reported to the tax administration of [jurisdiction], nor to be made available to such Reportable Seller in circumstances where the Reporting Platform Operator has obtained adequate assurances that another Platform Operator fulfils the reporting obligations of this Section:
 - a) with respect to such Reportable Seller pursuant to the rules in [jurisdiction]; or
 - b) with respect to such Reportable Seller, other than a Reportable Seller resident in [jurisdiction], under substantially similar rules in a Partner Jurisdiction.
4. The information pursuant to Paragraph B shall be reported in accordance with the OECD Sharing and Gig Economy XML Schema.
5. The information with respect to the Consideration paid or credited in a fiat currency must be reported in the currency in which it was paid or credited. In case the Consideration was paid or credited in a form other than fiat currency, it should be reported in the local currency of [jurisdiction], converted or valued in a manner that is consistently determined by the Reporting Platform Operator.
6. The information with respect to the Consideration and other amounts must be reported in respect of the quarter in which the Consideration was paid or credited.

B. Information to be reported

Each Reporting Platform Operator must report the following information:

1. the name, registered office address and TIN of the Reporting Platform Operator, as well as the business name(s) of the Platform(s) in respect of which the Reporting Platform Operator is reporting;
2. with respect to each Reportable Seller that provided Relevant Services, other than immovable property rental:
 - a) the items required to be collected pursuant to Paragraph B of Section II;
 - b) any other TIN, including the jurisdiction of issuance, available to the Reporting Platform Operator;

- c) the Financial Account Identifier(s), insofar as it is available to the Reporting Platform Operator and the jurisdiction of the Reportable Seller's residence is included on [list];
 - d) where different from the name of the Reportable Seller, the name of the holder of the financial account to which the Consideration is paid or credited, to the extent available to the Reporting Platform Operator, as well as any other identifying information available to the Reporting Platform Operator with respect to that account holder;
 - e) each jurisdiction in which the Reportable Seller is resident on the basis of the procedures set out in paragraph D of Section II;
 - f) the total Consideration paid or credited during each quarter of the Reportable Period and the number of such Relevant Services in respect of which it was paid or credited; and
 - g) any fees, commissions or taxes withheld or charged by the Reporting Platform Operator during each quarter of the Reportable Period.
3. with respect to each Reportable Seller that provided Relevant Services for the rental of immovable property:
- a) the items required to be collected pursuant to Paragraph B of Section II;
 - b) any other TIN, including the jurisdiction of issuance, available to the Reporting Platform Operator;
 - c) the Financial Account Identifier (s), insofar as it is available to the Reporting Platform Operator and either the jurisdiction of residence of the Reportable Seller or the jurisdiction in which the immovable property is located is included on [list];
 - d) where different from the name of the Reportable Seller, the name of the holder of the financial account to which the Consideration is paid or credited, to the extent available to the Reporting Platform Operator, as well as any other identifying information available to the Reporting Platform Operator with respect to the account holder;
 - e) each jurisdiction in which the Reportable Seller is resident on the basis of the procedures set out in paragraph D of Section II;
 - f) the address of each Property Listing, determined on the basis of the procedures set out in paragraph E of Section II, and, if available, the land registration number;
 - g) the total Consideration paid or credited during each quarter of the Reportable Period and the number of such Relevant Services provided with respect to each Property Listing in respect of which it was paid or credited;
 - h) any fees, commissions or taxes withheld or charged by the Reporting Platform Operator during each quarter of the Reportable Period; and
 - i) where available, the number of days each Property Listing was rented during the Reportable Period and the type of each Property Listing.

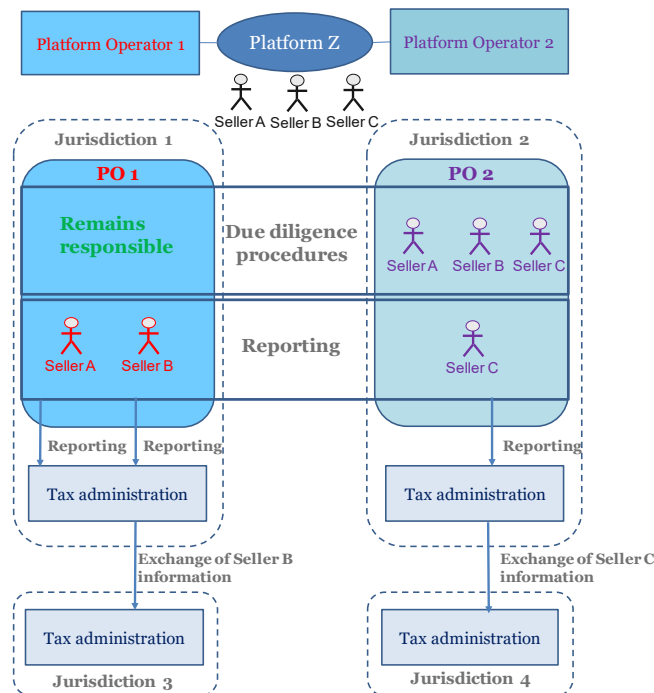
Commentary

Paragraph A – Time and Manner of Reporting

1. Subparagraph A(1) contains the rules governing the timing of the reporting requirement and states that information set out in Paragraph B with respect to a Reportable Seller must be reported to the tax administration of [jurisdiction] no later than 31 January of the year following the calendar year in which the Seller is identified as a Reportable Seller.

2. In the context of the transitional relief granted in respect of the due diligence procedures pursuant to subparagraph F(2) of Section II, this means that a Seller that is identified as a Reportable Seller only in the second Reportable Period for the Reporting Platform Operator would only be reportable in respect of the second Reportable Period, with information being due to be reported by 31 January of the year following that second Reportable Period.
3. There may be circumstances in which part or all of the Consideration is refunded to the Reportable Seller after the reporting deadline, for instance in case of cancellations of transactions. In that respect, it is expected that Reporting Platform Operators submit a corrected report, reflecting any relevant changes in relation to Reportable Sellers and the Relevant Services. Such a corrected report should also be submitted in case other information in relation to the Reportable Seller or the Relevant Services is corrected after the reporting deadline.
4. Subparagraph A(2) requires that the Reporting Platform Operator also provides the information to the Reportable Seller by the same deadline. This provision seeks to ensure that Reportable Sellers are aware of the information provided on their behalf to the tax administration and that it may be used by the Reportable Sellers when filing their annual tax return.
5. Subparagraph A(3) seeks to avoid duplicative reporting in case there is more than one Reporting Platform Operator in respect of the same Reportable Seller.
6. As such, subparagraph A(3) stipulates that the information pertaining to a Reportable Seller is not to be reported to the tax administration of [jurisdiction] (and to be made available to such Reportable Seller) in case the Reporting Platform Operator has obtained adequate assurances that another Platform Operator fulfils the reporting obligations with respect to such Reportable Seller. Subparagraph A(3) does not apply in respect of Reportable Sellers resident in [jurisdiction] by virtue of Paragraph D of Section II.
7. In order to make sure that the information in relation to such Reportable Seller is also effectively exchanged with the jurisdiction in which the Reportable Seller is resident or in which the Reportable Seller has provided Relevant Services in relation to immovable property, the Reportable Seller must have that status also in the jurisdiction in which the (other) Platform Operator ensures the reporting. This can either be in [jurisdiction] or in a Partner Jurisdiction that has substantially similar rules.
8. By way of an example, as illustrated in Figure 1, Platform Z is operated by two Platform Operators: Platform Operator 1 (resident in jurisdiction 1) and Platform Operator 2 (resident in jurisdiction 2), whereby jurisdiction 2 is a Partner Jurisdiction of jurisdiction 1. Platform Z is used by three (categories of) Sellers: Seller A (resident in jurisdiction 1), Seller B (resident in jurisdiction 3) and Seller C (resident in jurisdiction 4). While jurisdiction 4 is a Reportable Jurisdiction in both jurisdictions 1 and 2, jurisdiction 3 is only a Reportable Jurisdiction in jurisdiction 1, and not in jurisdiction 2.
9. Platform Operator 2 provides most of the functionalities associated with Seller on-boarding and, in this light, Platform Operator 1 relies on Platform Operator 2 for the completion of its due diligence procedures under subparagraph H(2) of Section II, whereby Platform Operator 2 will complete the procedures for Platform Operator 1 pursuant to the (substantially similar) rules in jurisdiction 2.
10. In satisfying the reporting requirements under Section III, Platform Operator 1 has obtained assurances from Platform Operator 2 that it will fulfil the reporting obligations with respect to Seller C, therefore pursuant to subparagraph A(3), Platform Operator 1 does not report Seller C information to the tax administration of jurisdiction 1. In respect of Seller A information, as subparagraph A(3) does not apply to Reportable Sellers resident in jurisdiction 1, Platform Operator 1 must report Seller A information to its (domestic) tax administration. Platform Operator 1 must also report Seller B information because Seller B is not a Reportable Seller for Platform Operator 2, due to the absence of an exchange arrangement between jurisdictions 2 (the jurisdiction of residence of Platform Operator 2) and 3 (the jurisdiction of residence of Seller B).

Figure 1



11. In order to be discharged from its reporting obligations with respect to a Reportable Seller, a Reporting Platform Operator must obtain adequate assurances that the other Platform Operator will carry out the reporting in respect of such Reportable Seller.

12. This can be achieved by obtaining written confirmation from the other Platform Operator, including via putting in place and documenting intercompany agreements, that the assuming Platform Operator will ensure the reporting in relation to a (group of) Reportable Seller(s). It is further expected that both Platform Operators put a mechanism in place to ensure that they have full visibility on the (groups of) Reportable Sellers of the Reporting Platform Operator for which the other Platform Operator has ensured the reporting obligations and that such obligations are being effectively performed. This mechanism should be appropriately documented and applied at least once a year prior to the reporting deadline and should include a list of the jurisdictions for which the other Platform Operator will ensure the reporting of Reportable Sellers. In this respect, jurisdictions may also wish to consider introducing an obligation that both the Platform Operator that assumes the reporting for (a group of) Reportable Seller(s) for the Reporting Platform Operator, as well as the Reporting Platform Operator that is relying on the other Platform Operator to ensure the reporting with respect to (a group of) Reportable Seller(s) notify their respective tax administrations to that effect.

13. Subparagraph A(4) stipulates that the information is to be reported in the standardised extensible mark-up schema developed at OECD level. This is to ensure maximum standardisation and compatibility of the IT-format that is used by Reporting Platform Operators to report the information and by tax administrations to use the information. In case [jurisdiction] is not in a position to require the reporting in accordance with the OECD XML Schema, it should include the applicable domestic format in this provision.

14. Subparagraph A(5) clarifies that the information with respect to the Consideration must be reported in the currency in which it was paid or credited. In case the Consideration was paid or credited in a form other than fiat currency, it should be reported in the local currency of [jurisdiction], converted or valued in a manner that is consistently determined by the Reporting Platform Operator.

Paragraph B – Information to be Reported

15. Pursuant to Paragraph B, each Reporting Platform Operator must report certain information items with respect to the Reporting Platform Operator (under subparagraph B(1)), and on Reportable Sellers, both with respect to Relevant Service other than immovable property rental (subparagraph B(2)), as well as in relation to the rental of immovable property (subparagraph B(3)).

16. Under subparagraph B(1), the Reporting Platform Operator must report its name, registered office address, TIN, as well as the business name(s) of Platforms in respect of which the Reporting Platform Operator is reporting.

17. Under subparagraphs B(2) and B(3) the Reporting Platform Operator must report specified information items needed to identify the Reportable Seller and the jurisdiction(s) to which that Reportable Seller is linked for reporting purposes. It also requires the Reporting Platform Operator to report specified information items in respect of the Consideration paid to the Reportable Seller in connection with Relevant Services.

18. For the purposes of the reporting on the identity of Reportable Sellers under subparagraphs B(2)(a) and B(3)(a), Reporting Platform Operators should rely on information items they were required to collect pursuant to Paragraph B of Section II.

19. In addition, under subparagraphs B(2)(b) and B(3)(b), Reporting Platform Operators should also report any other TIN issued by the jurisdiction of residence of the Seller, including the jurisdiction of issuance, that they were not required to collect under Section II, if they have such TINs available to them, for instance because the information items were collected for other regulatory or commercial purposes. Where, for instance, a Reporting Platform Operator has collected both a VAT/GST number and a direct tax identification number, both numbers should be reported.

20. Subparagraphs B(2)(c) and B(3)(c) provide that the Financial Account Identifier(s) to which the Consideration is paid or credited should be reported, if available and if requested by the receiving jurisdiction or [jurisdiction], respectively.

21. The Financial Account Identifier can play an important role for taxpayer matching purposes under the Model Rules, in particular given that the other identifying information that is collected pursuant to Paragraph B of Section II will in a number of instances not be verified on the basis of AML/KYC information or information of a comparable reliability. As such, it is expected that the Financial Account Identifier is a very reliable information item for tax administrations for taxpayer matching purposes, given that the Consideration is paid or credited to such account.

22. However not all jurisdictions' tax administrations will be in a position to use Financial Account Identifiers for purposes of matching of a Reportable Seller to the taxpayer database of the tax administration. For that reason, the Financial Account Identifier should only be reported when the receiving tax administration or the tax administration of [jurisdiction] can use such information for those purposes. It is expected that jurisdictions will notify each other as to whether the receipt of financial account information is needed for matching purposes. In cases where the information is relevant for a jurisdiction, that jurisdiction will be included in a list by [jurisdiction] and made available to Reporting Platform Operators, which would then trigger the reporting requirement with respect to the Financial Account Identifier pursuant to subparagraphs B(2)(c) and B(3)(c).

23. Subparagraphs B(2)(d) and B(3)(d) provide that, where the Reportable Seller's name is different from the name of the holder of the financial account to which the Consideration for the Relevant Services is paid or credited, the Reporting Platform Operator must report the name of the person or Entity holding that financial account, if available to the Reporting Platform Operator, as well as any other identifying information available to the Reporting Platform Operator with respect to that account holder. This provision

seeks to ensure that the relevant tax administration can identify the actual recipient of the Consideration in connection with Relevant Services.

24. Subparagraphs B(2)(e) and B(3)(e) require that the jurisdiction in which the Reportable Seller is resident on the basis of the procedures set out in paragraph D of Section II is identified. Given the particular tax consequences attached to the rental of immovable property, subparagraph B(3)(f) requires that the address of the Property Listing, as determined on the basis of the procedures set out in paragraph E of Section II, and, if available, land registration number of the Property Listing are also reported. For these purposes, the land registration number includes functional equivalents, such as a cadastral number.

25. Subparagraphs B(2)(f) and B(3)(g) require that Reporting Platform Operators report the total Consideration received by quarter.

26. Subparagraph B(2)(g) and B(3)(h) require that the Reporting Platform Operator reports any fees, commissions or taxes withheld or charged by the Reporting Platform Operator by quarter. Again, for rental of immovable property, these amounts are to be reported per Property Listing.

27. Finally, subparagraph B(3)(i) requires in the context of rental of immovable property services that the number of days each Property Listing was rented during the Reportable Period and the type of each Property Listing (e.g. hotel, apartment, parking space) are reported, provided such information is available to the Reporting Platform Operator. This is to ensure that tax administrations can determine whether the rentals are occasional or regular, as well as to allow the determinations of central or local levies and accommodation-related taxes, provided this use is permitted under the relevant international exchange agreement or arrangement and applicable domestic law.

28. A jurisdiction may require the filing of a nil return by a Reporting Platform Operator to indicate that it did not identify any Reportable Sellers during the Reportable Period.

Section IV: Administration and enforcement

The aim of this Section is to provide implementing jurisdictions with guidance as to the measures they could take to ensure that the Model Rules are effectively implemented and are complied with by Reporting Platform Operators.

It is expected that jurisdictions have rules and administrative procedures in place to ensure effective implementation of, and compliance with, the reporting and due diligence procedures set out in the Model Rules in a manner that is consistent with the objectives of the Model Rules.

In case a jurisdiction does not have an effective implementation framework which takes into account the hallmarks set out in this Section, other implementing jurisdictions may decide to not include the jurisdiction in their list of Partner Jurisdictions for the purposes of the Model Rules.

The hallmarks for effective implementation set out in this Section could take the form of primary or secondary legislation supplemented by guidance.

Rules to enforce the collection and verification requirements of Section II

1. It is expected that jurisdictions have measures in place that require Reporting Platform Operators to enforce the collection and verification requirements of Section II of the Model Rules in relation to their Sellers. This could, for instance, include a requirement that Reporting Platform Operators cannot allow Sellers to be connected to other users for the provision of Relevant Services or that the pay-out of Consideration is withheld by the Reporting Platform Operator, in case the Seller does not provide the information required under Section II. This is to ensure that the information that is used for the due diligence processes and for reporting the Seller is accurate and complete at the end of each Reportable Period in view of reporting such information.

2. There may be instances where a Reporting Platform Operator includes, in its contract(s) with Sellers, terms in relation to the closure or freezing of accounts, or the withholding of Consideration, in circumstances where the required information is not provided by the Seller. In such cases, jurisdictions may consider such Reporting Platform Operators subject to a safe harbour in relation to the requirements outlined in paragraph 1.

Rules requiring Reporting Platform Operators to keep records of the steps undertaken and any information relied upon for the performance of the due diligence procedures and reporting requirements and adequate measures to obtain those records

3. It is expected that jurisdictions will introduce rules requiring Reporting Platform Operators to keep records of the steps undertaken and any information relied upon for the performance of the due diligence procedures and reporting requirements set out in the Model Rules. Such records should be available for a sufficiently long period of time and in any event for a period of not less than 5 years following the end of the Reportable Period to which they relate.

4. A jurisdiction is also expected to introduce adequate measures to obtain these records. Most jurisdictions have rules in place to compel the taxpayer or a third party to provide documents that are necessary to apply their domestic tax legislation. These rules generally also apply to obtain information to respond to a request for information from an exchange partner under an exchange of information instrument. Some jurisdictions, especially those without an income tax, may have rules that specifically deal with the procedures to obtain information that is to be exchanged under an exchange of information instrument.

Administrative procedures to verify Reporting Platform Operators' compliance with the due diligence procedures and reporting requirements

5. It is expected that jurisdictions introduce administrative procedures to verify the compliance of Reporting Platform Operators with the due diligence procedures and reporting requirements.

Administrative procedures to follow up with a Reporting Platform Operator where incomplete or inaccurate information is reported

6. It is expected that jurisdictions develop procedures to follow up with a Reporting Platform Operator when incomplete or inaccurate Reportable Seller information is reported. Such a situation may arise when a Reporting Platform Operator is unable to obtain the required Seller information items under Paragraphs A, B and E of Section II. This could either be the result of either inadequate procedures being implemented by a Reporting Platform Operator to obtain the necessary information, or the Seller's refusal to provide such information.

Effective enforcement provisions to address non-compliance

7. Finally, it is expected that jurisdictions introduce effective enforcement provisions to address non-compliance. For example, a jurisdiction may consider relying on existing rules that provide for the imposition of fines or other penalties where a Reporting Platform Operator does not provide information requested by the tax authority.

Annex A. Extending the definition of Reporting Platform Operator

1. While the objective of the Model Rules is to ensure that the required information can be reported by the Reportable Platform Operator to its jurisdiction of residence, which may exchange such information with its Partner Jurisdictions, there may be limited instances where Platform Operators are resident in a jurisdiction that has not implemented the Model Rules or is not an exchange partner of the jurisdiction implementing the rules.

2. The primary mechanism based on the residence of the Platform Operator is the preferred approach under the Model Rules. Nonetheless, certain jurisdictions also want to impose local reporting in the jurisdiction in which Sellers are resident or where immovable property being rented is located, when such information cannot be obtained from a Partner Jurisdiction. While this secondary mechanism is not part of the Model Rules, the below reflects the two changes to the Model Rules that are required to achieve this outcome.

3. Firstly, the definition of “Reporting Platform Operator” under Subparagraph A(4) of Section I should read as follows:

A Platform Operator is a “Reporting Platform Operator”[, other than an Excluded Platform Operator], if:

- i. it is resident for tax purposes in [jurisdiction] or, where a Platform Operator does not have a residence for tax purposes, either:*
 - a) is incorporated under the laws of [jurisdiction]; or*
 - b) has its place of management (including effective management) in [jurisdiction]; or*
- ii. it is not resident or incorporated or managed in [jurisdiction] or a Partner Jurisdiction and facilitates the provision of Relevant Services by Sellers resident in [jurisdiction] or with respect to rental of immovable property located in [jurisdiction].*

4. Secondly, the definition of “Reportable Jurisdiction” under Subparagraph C(2) of Section I should read as follows:

A “Reportable Jurisdiction” is

- i. for a Reporting Platform Operator pursuant to Subparagraph A(4)(i) of Section I, [jurisdiction] and any jurisdiction with which [jurisdiction] has an agreement or arrangement in effect pursuant to which [jurisdiction] is exchanging on an automatic basis the information specified in Section III and which is identified as such in a published list; and*
- ii. for a Reporting Platform Operator pursuant to Subparagraph A(4)(ii) of Section I, [jurisdiction].*

Model Rules for Reporting by Platform Operators with respect to Sellers in the Sharing and Gig Economy

This publication contains the OECD's Model Rules that require digital platforms to collect information on the income realised by those offering accommodation, transport and personal services through platforms and to report the information to tax authorities.

The Model Rules were developed in light of the rapid growth of the digital economy and in response to calls for a global reporting framework for digital platforms. As the digitalisation of the economy entails a shift from traditional employment contracts towards independent work, activities facilitated by platforms may not always be reported to tax administrations, either by third parties or by taxpayers themselves. The platform economy also means increased access to information for tax administrations, as it brings activities previously carried out in the informal cash economy onto digital platforms.

In light of these developments, the Model Rules are designed to help taxpayers in being compliant with their tax obligations, while ensuring a level-playing field with traditional businesses, in the key (accommodation and transportation) sectors of the sharing and gig economy. The Model Rules also have the ambition to contain the proliferation of unilateral reporting requirements seen in recent years, as well as to streamline reporting regimes for tax administrations and platform operators alike.



For more information:



ctp.contact@oecd.org



www.oecd.org/tax



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