Taxation of Economic Cross-Border Operations for Providing Services in Electronic Form

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Abstract

Purpose : This paper analyzed the situations in which it was possible to use foreign experience and international standards to increase the efficiency of taxation of cross-border activities for the provision of electronic services in electronic form by an individual state.

Methodology : Using economic indicators and official sources, we conducted a generalizing assessment of the fundamental models and ideas of taxation of transactions involving digital products and services generated within the Organization for Economic Cooperation and Development scope. The practical value of these models and ideas used to strengthen the Russian tax system was proved based on their findings.

Findings : As a result of an analysis of international standards and rules relating to the taxation of transactions involving digital goods and services, the main principles and algorithms were identified, the use of which at the national level allows for the rapid modernization of the taxation system and adaptation to the challenges of the new (digital) economy.

Practical Implications : Taking into account the dynamics of the expansion of the use of digital products not only in business but also in public administration, a practically realizable potential for the application of previously developed international rules in modern conditions was identified, in particular, the possibility of remote interaction between tax authorities and taxpayers.

Originality : The paper's novelty lies in substantiating the possibility of practical application of the basic principles and models of taxation of services in electronic form developed at the international level in states with significant differences in economic development and tax systems. The work's practical significance lay in identifying the importance of international standards and principles of taxation of electronic services for the development of national rules and creating conditions that impede the development of new forms of economic activity, as well as formulating recommendations for the practical application and improvement of the rules for taxation of electronic services.

Keywords : **taxes, taxation, tax resident, taxation of services in electronic form, Organization for Economic Cooperation and Development, international tax cooperation, international economic activity, VAT, income taxation**

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The most significant developmental trait of the world economy in the modern day is the near ubiquitous use of digital products. This happens while the turnover and range of "intangible" goods in electronic digital form constantly expand. It makes sense that developing a new (digital) economy makes developing new taxation rules necessary. These should not only consider the specifics of the circulation of digital products without creating obstacles for it but also ensure the fiscal interests of states. The electronic-digital form of economic relations is becoming one of the most important areas of business activity. It provides new opportunities to enhance and improve the quality of economic activity internationally. The most popular areas of e-commerce are advertising, placing orders, processing transactions, making payments, other types of services, and selling goods in digital form. This has unavoidably had an impact on taxation. Over the last few decades, international efforts have established a standard architecture for applying taxes in digital product turnover. Examining the possibilities of employing tax instruments becomes especially essential in recent economic challenges, the quest for remote work structuring, and social and cultural interactions in a challenging epidemiological environment.

Furthermore, most countries, including Russia, are increasingly relying on digital technologies to better tax administration operations, tax management, and interactions between government entities and taxpayers. Indeed, these technologies have made it feasible to establish a technical foundation and ensure control over taxation or services in electronic form. According to the Federal Tax Service of Russia, as of the beginning of 2021, the list of international internet enterprises registered in the Russian Federation as VAT taxpayers in the supply of electronic services contained over 2,680 organizations (Federal Tax Service, n.d.). As a result, the entire architecture of tax legislation requires continuous refinement, including consideration of country characteristics. Countries' tax systems do not have time to adapt to such rapid changes, leading to global tax revenue losses. These developments in international regulations necessitate a more thorough examination of the legal features of the current taxation status of electronic services, including identifying prospective areas for improvement. Our study aims to assess the possible use of internationally developed basic principles and models of electronic taxation of services in electronic form, the need to modify them within a particular jurisdiction based on the specifics of its tax system, and the level of technical support.

Russia is concerned about the issues surrounding its taxation. This is demonstrated by amendments to the Russian Federation's Tax Code (hereinafter referred to as the "TC of RF"), which came into effect in 2017 (Consultant Plus, n.d.) and established the rules for the payment of value-added tax (hereinafter – "VAT") in the provision of electronic services. In this regard, a research question arises: Can special rules that increase the fiscal burden on the main actors of the global industry of services provided in electronic form be established in the norms of national law without a coordinated approach? We conducted a study to answer this topic, the results of which are reported in this paper. As a result, in the paper:

- There are specified basic rules adopted at the worldwide level in the framework of harmonizing approaches to the growth of indirect taxation of electronic services.
- Situations where, in the absence of international standards, states can independently adopt rules for taxation of electronic services, including the income of their suppliers, and these are outlined.
- The individual manifestations of autonomous state fiscal intervention in the digital economy are assessed.
- Approaches to prospective development taxation rules of services in electronic form are analyzed at the international and national (using Russia as an example) levels.
- Recommendations on the possible improvement of tax legislation in Russia in terms of applying tax in the field of electronic services are formulated and substantiated (including considering foreign experience).

Literature Review

Several scientific studies are currently being conducted that cover the development of international principles and rules for the taxation of cross-border transactions for the provision of services and the transfer of goods in electronic form as well as aspects of their implementation in national legal systems (including Russia). The physical presence of a person is not a prerequisite for doing business in a particular market, especially in the digital economy, where intangible goods and services are replicated for a small cost or completely free of charge in the virtual space. The issue of the territoriality of paying taxes from such operations becomes relevant (Nayyar & Singh, 2018; Sharma & Kumar, 2017; Shokeen et al., 2017). The competition between individual jurisdictions for "attracting the taxpayer" is intensifying.

Bismuth et al. (2017) demonstrated in their core work that the service sector was historically (and continues to be in many ways) one of the realms of preferred state involvement. Nonetheless, significant easing of the conditions for delivering cross-border services was achieved at the international level. Moving on to fixing tax concerns in specific sectors of services (mainly electronic) appears to have become achievable due to this. At the same time, one cannot help but agree with Lamensch (2015) that the rules for taxation of electronic transactions for the provision of services developed both at the international level, including integration associations of states, and within individual countries, should be constantly enhanced, based on changes in the digital environment and new development trends in material production and service provision.

Plagnet (2002) noted that new areas of activity related to high technologies are fundamentally changing the basic conditions of taxation. Therefore, a question arises: can the "classical" types of taxes be adapted to these areas, or must special ("new") taxes be established? At the same time, the author emphasized that cross-border transactions on the Internet for tax purposes should be qualified as services for tax purposes. Castagnède (2002) took similar positions on establishing a permanent establishment tax and legal status while using telecommunications in international commercial transactions. Castagnède (2002) investigated in-depth scenarios involving the provision of services in electronic form.

At the same time, Miller and Oats (2006) touched upon the impact of the digitalization of international transactions on transfer pricing. Legal conflicts also arise with the use of taxation objects on the Internet (Kushwah et al., 2021; Narayanaswamy & Muthulakshmi, 2017), the moment of transfer of ownership of an electronic product (service), and a document confirming the transfer of ownership of a product from a supplier to a consumer on the Internet. The findings of an investigation of the impact of the digital economy on the tax system are reported in taxes in the digital economy and theory and methodology. The authors demonstrated changes in aspects of tax law as well as specific types of taxes impacted by digitalization (Mayburova & Ivanova, 2019). However, they are difficult to apply in practice (Nguyen et al., 2022; Ranjan et al., 2018). The global tax administration system demands both reform and clarification of tough issues and developing tensions. Corporate taxation in the worldwide digital economy and the equitable allocation of acquired assets is becoming an intellectual and professional debate.

An analysis shows the aspects of developing an existing international legal framework for the taxation of services in electronic form, including through norms of national tax legislation. The study of potentially integrating new fiscal instruments in this segment of the economy can be studied in more detail.

Methodology

Research Design

In order to achieve this goal, a qualitative study of the possibilities of using internationally developed basic

principles and models of taxation of services in electronic form was carried out in 2022. The research design strategy is based on the use of a combination of theoretical and empirical research methods:

- **Theoretical Methods :** To study the literary sources related to the research problem.
- **Empirical Methods :** The method of interviewing experts.
- **Numerical Methods :** The method of mathematical processing of respondents' answers.

Theoretical Methods

The dialectical method plays the most significant part among them. This study uses analysis, synthesis, induction, deduction, generalization, and the formal dogmatic method as general scientific methods. The latter made it possible to use the description and analysis of legal norms and relations arising as a result of the taxation of services in electronic form as the primary methods. The work uses other scientific research methods, including historicism, functionalism, and formalization, as well as private scientific methods (formal legal, comparative legal, and legal modeling methods), as they are essential to be able to study issues in question in more detail and more thoroughly, allowing demonstration of individual features of the legal regulation system of taxation of electronic services, and revealing certain properties of this system.

Document Analysis

In preparing the article, regulatory legal acts, international documents, and scientific works of Russian and foreign scientists who considered issues of taxation of services in electronic form from 1998 to 2022 were used. The normative and legal basis of the work included provisions of the Tax Code of the Russian Federation, provisions of the Model Convention on the Taxation of Income and Capital Organization for Economic Cooperation and Development (hereinafter respectively OECD Model Convention (OECD, 2015), Comments to the OECD Model Convention (hereinafter "Comments to the OECD Model Convention") (OECD, 2010), other OECD documents, legislative norms, and by-laws of the competent state authorities of Russia and other countries.

Expert Survey Method

In 2022, we selected 35 experts in the field of taxation in electronic commerce. By e-mail, electronic messages were sent to experts with a request to assess the reliability of the selected material for this study. We created a questionnaire with 10 questions to evaluate the papers used for the study. The specialists used the Harrington Scale to examine the situation. There were two open-ended questions.

Four experts refused to respond and referred to employment and poor health. The experts gave the selected documents an average high rating (the value *"high"* on the Harrington Scale grading criterion ranges from 0.64 to 0.8). We then processed the collected information, with its distribution by the degree of significance, basic principles and models of taxation of services in electronic form, and interpretation of the results obtained.

Analysis and Results

The following is discovered throughout the course of the work: The emergence of global computer networks (the Internet being the most significant), the use of modern communication methods and the development of the digital product industry have created conditions for organizations to access the world market freely and to establish

commercial relations with counterparties from other countries. At the same time, location has become less significant for large and small enterprises, and initial costs have decreased. However, this does not imply a complete withdrawal of all commerce and business connections into the virtual sphere. The rapid expansion of the international e-services sector has highlighted new tax issues. They are due to, among other things:

- Conventional controls are complicated in e-services, given their "virtual" nature and the mobility of actors.
- Electronic services generally provide a high degree of mobility to the contractor and the customer but do not always fit into the framework of well-established ideas about these persons' physical and economic connection to fiscal jurisdiction.
- Commercial structures that supply electronic services are highly mobile and can swiftly relocate. This contributes to the increased competitiveness between different tax jurisdictions.
- The electronic nature of services and ample opportunities for automating processes for their provision creates opportunities for virtual economic space to emerge.

Many international organizations deal with e-commerce tax concerns. However, the WTO, the OECD, and the International Electronic Commerce Association play essential roles. For example, at the 1998 annual conference, WTO members agreed to a moratorium on imposing customs payments for the cross-border movement of products in electronic form (World Trade Organization, 1998), which was later extended (World Trade Organization, 2005).

When developing international rules for the taxation of e-commerce, the positions of individual countries, primarily the United States, are also important, highlighting the need for clear tax rules to eliminate double taxation and the importance of developing new tax administration techniques to ensure the taxation of e-commerce. The United States announced the decision to apply the same principles of taxation to e-commerce as to ordinary business activities and not to establish new special taxes for Internet businesses. Despite some success and the demonstrated interest of states in common rules for taxing electronic services, an agreement on the central issues has still not been reached. So, the United States adheres to the position that the transfer of electronic products is equivalent to the supply of goods (property) (Stupak, 2016). Consequently, this made it possible to apply the rules of the WTO legal system. The European Union proceeds from the fact that the provision of services in electronic form is a type of service (electronic). Similarly, the stance on the qualification of revenue derived from providing electronic services (goods) is stated (EUR-Lex, 2000).

OECD Position on Taxation of Electronic Services : General Approaches

The OECD is the most active organization that deals with developing rules on the taxation of electronic services and trade today. It should be emphasized that the OECD's effort to develop standards for electronic services and commerce taxation is not limited to indirect taxes alone. The contemporary state of worldwide communications necessitated the inclusion of explanations in the law regulation system governing direct taxes. The main direction of the OECD's activities in regulating the international circulation of electronic services is the creation of favorable legal conditions for further development. In terms of taxes, this manifests itself in the creation of basic tax laws that, on the one hand, do not obstruct the development of the digital economy. On the other hand, it prevents tax base erosion and tax evasion. The basic principles of the OECD on taxation of electronic services can be described as follows (OECD, 2017).

Income Taxation

The OECD's work on preparing tax rules for international e-commerce is not limited to indirect taxes. It makes sense that features of applying direct taxes to international electronic services have their own specifics. This necessitated, among other things, changes to the previously established rules. The OECD identified four promising areas for direct tax adaptation to e-commerce:

- Definitions of "permanent establishment" have been modified in regard to international transactions in this area.
- Methodology of calculating the taxable share of profit in the permanent establishment's state that arises for a non-resident from the possession and use of a server on the territory of this state for the provision of services in electronic form.
- Identification and classification of types of payments carried out when performing e-commerce transactions.

Apparently, the institution of a permanent establishment in regard to avoiding international double taxation can be considered one of the main in the international regulation of taxes on corporate income. Naturally, it is filled with new content in relation to enterprises that supply goods and provide services in electronic form. As a general rule, within the framework of regulating taxes on the income of organizations, a permanent establishment is an office or other permanent place of business of a foreign structure or its dependent agent. Locating suppliers of goods and services in electronic form is frequently difficult. As a result, the term "virtual presence" became popular. The global plan to counter tax base erosion and the removal of profits from taxation (the so-called BEPS plan), developed by the OECD (2013) and approved by the Group of 20 (G20), will also affect several aspects of the taxation of cross-border transactions for the provision of services in electronic form. This plan makes recommendations for reforming the e-commerce taxation system, specifically for introducing a new taxation linkage based on the "significant economic presence" criterion and for considering the possibility of taxing transactions conducted in electronic form in the state that is the source of income. More than 135 states and jurisdictions cooperate to carry out the activities outlined in the BEPS strategy (OECD, 2020).

Within this plan's implementation, the OECD and the G20 at the 7th session in May 2019 agreed on the "Programme of Work to Develop a Consensus Solution to the Tax Challenges Arising from the Digitalization of the Economy" (OECD, 2019). The main goal of developing this document was to substantiate the rights to levy taxes by states on whose territory the bulk of the profits of foreign companies is generated from providing services in electronic form.

The following models of partial profit redistribution in favor of states and jurisdictions in whose territory transnational companies receive income from electronic services are currently being considered within the framework of public consultations. First, if such companies receive a significant share of the specified income in a state where they do not have a physical presence, they may be taxed in such a state. This, however, requires improvements to the existing criteria for the recognition of a permanent establishment (the so-called rule of communication). Secondly, the income of multinational companies from providing services in electronic form can also be taxed in a state where they do not have a physical presence but by fixing the share of taxable profit (the so-called rule of profit distribution). Furthermore, the OECD does not exclude a third alternative, which involves charging transactions to provide electronic services not in connection to the country of origin but at the point of distribution (consumption).

In 2015, the OECD published a strategy to combat tax base erosion and remove earnings from taxation (the so-called BEPS plan) (OECD, 2013). This plan (paragraph 1) includes recommendations for reforming the

e-commerce taxation system, specifically introducing a new taxation linkage based on the "significant economic presence" criterion, considering the possibility of taxing transactions conducted in electronic form in the state where income is generated, and improving the rules of indirect taxation of e-commerce entities.

Legal regulation of the circulation of services and goods in electronic form is not limited to civil and tax legislation. In this area, the norms for protecting intellectual property are also important. Therefore, payments between the seller (supplier) and buyer can be considered ordinary payments for services rendered (goods transferred) or as royalties. If the tax legislation establishes different taxation regimes for these payments, then, therefore, they must be accurately identified. Without this, there is a high risk of multiple taxation or unauthorized tax avoidance altogether.

The classification that is currently used actively is based on the division of income categories based on the essence of the electronic service (the volume of rights to a digital product transferred to a buyer). So, if the transfer of goods in electronic form through communication channels or the provision of electronic services to the end consumer for his own needs is carried out, then, as a rule, it is recognized that the supplier has received income from which he is obliged to pay tax in accordance with the general procedure. However, if the transaction gives the buyer the right to distribute an electronic product, the profit is considered royalties.

It is worth noting that the OECD recommendations are of great importance for solving the qualifying income received from commercial transactions in the turnover of electronic services and electronic goods. In accordance with them, it is proposed to single out standard payments and group them by type. Most qualify as "ordinary" business income (subject to Article 7 of the OECD Model Tax Convention). At the same time, the following payments are recognized as royalties (income from copyright and licenses provided for in Article 12 of this Convention):

- For providing access to content for reproduction for distribution.
- For providing technical software support.
- For receiving unpublished technical information about a product or process.

Problems of Legal Regulation of Taxation of International Electronic Commerce in the Russian Federation

Legal Basis

The tax regulation of electronic services currently applied in Russia is still imperfect. It reflects many problems, the solutions of which are already partially given in the OECD documents, which allowed the states that adopted them to improve their tax system. Unfortunately, to date, Russia has not developed a comprehensive concept for the development of legal regulation of taxation of the creation and circulation of digital products, including goods and services.

Based on the position of its official bodies reflected in the explanations of tax and customs legislation, Russia has often simply equated ordinary trade and the provision of electronic services for many years. At the same time, the inadmissibility of applying special rules to the latter was noted. But gradually, these views have evolved. For example, one of the letters from the Ministry of Finance of Russia (2005) noted: "Considering the wide spread of entrepreneurial activities carried out on the computer network of the Internet – games for money – in the opinion of the Ministry of Finance of Russia, the issue of taxing these activities deserves attention and requires its legislative settlement."

As a consequence of the fact that the tax legislation did not take into account the challenges posed by e-services and commerce for many years, at least two problems have become increasingly apparent. First, the specificity of the electronic form of activity has not always been adequately (i.e., meeting the needs of the national economy and the fiscal interests of the state) reflected in the taxation regulation system for "ordinary" transactions. Second, ignoring this specificity and international practice has led to the destabilization of the competitive environment. These issues have manifested in unauthorized tax avoidance by some entities, in imposing excessive tax burdens on others, and in discriminatory conditions for domestic producers in foreign (and often in domestic) markets.

Profit Taxation

Regarding income tax, Russian organizations that provide electronic services and are engaged in e-commerce pay this tax on income from these activities and reduce the expenses incurred (Article 247 of the TC of RF). In accordance with Article 311 of the Tax Code of the Russian Federation, these organizations also include the income they receive from sources outside of Russia in the tax base. When foreign organizations receive royalties on Russian territory, they are taxed in accordance with the generally established method in accordance with subparagraph 4, p. 1 of Article 309 of the Russian Federation's Tax Code at the source of payment.

As the market for electronic services provided by non-resident firms in the Russian Federation directly to persons-end users expands, problems about the need to recognize such organizations' "virtual" permanent establishments frequently emerge. As previously stated, no complete agreement had been reached on the OECD's solutions. Naturally, this creates risks for re-taxation of income received by e-service providers. The Tax Code of the Russian Federation (p. 3 of Article 311) contains a mechanism for offsetting amounts of taxes paid in other states when calculating income tax in Russia. However, this offset is only possible if:

- An agreement with other states provides for it to avoid double taxation.
- The amount credited does not exceed the amount of the tax itself in Russia.

The general definition of the term "permanent establishment" proposed in p. 2 of Article 306 of the Tax Code of the Russian Federation is formulated as an approximate non-closed list of forms of organization and types of activity. It does not establish special rules for identifying a representative office of a foreign organization that provides electronic services on Russian territory. This definition allows for recognizing "another place of business of the organization" as a permanent establishment. Therefore, in theory, there is a formal (but fragile) basis to qualify a website and server located in Russia and used by a foreign organization to provide electronic services to Russian residents as its permanent establishment.

Value Added Tax

The guidelines for its application, created by the Russian Federation's Tax Code about a decade and a half ago, mostly neglected the nuances of this sort of activity. There was almost no VAT regulation regarding foreign transactions for the provision of electronic services before 2016. Some fragments of such regulation, if they could be identified, would be very much conditional on a subject basis. In principle, being an integral part of the general rules for levying VAT on selling services and jobs, they only selectively allowed (and retained) exceptions in relation to individual operations. As a result, in accordance with subparagraphs 4 p. 1 and 4 p. 1.1 of Article 148 of the Russian Federation's Tax Code for VAT purposes, the place of provision of jobs (services) for the development of computer programs and databases is not recognized as Russian Federation territory if the buyer of the jobs (services) does not operate on Russian territory.

Therefore, the specified jobs (services) are not recognized as subject to VAT. This position is significant. Russian software developers still have the potential to create equal competitive conditions for them and foreign suppliers. It makes it possible to activate the foreign economic direction of their activities.

Large-scale changes in tax legislation dedicated to collecting VAT when performing transactions via the Internet were approved in 2016 in Federal Law (2016) "On Amendments to Parts One and Two of the Tax Code of the Russian Federation." These modifications came into effect on January 1, 2017. To calculate VAT by foreign businesses involved in e-commerce, p. 1 of Article 174.2 of the Russian Federation's Tax Code provides a specific definition of "provision of services in electronic form."

Personal Account : Tax Reporting and Workflow

A foreign organization registered with tax authorities utilizes the taxpayer's account to receive documents from the tax authority and to submit the most up-to-date information and information about the supply of services in electronic form (including tax returns). It is accessible on the registration date, and the documents presented are in electronic form (p. 3 of Article 11.2, p. 5.2 of Article 23, and p. 8 of Article 174.2 of the Russian Federation's Tax Code). Foreign organizations that provide electronic services and are tax-registered do not issue invoices or keep purchase books, sales books, or a register of received or issued invoices in connection with such services (p. 3.2 of Article 169 of the Russian Federation's Tax Code).

The absence of internationally harmonized approaches to the taxation of cross-border transactions for the supply of electronic services naturally generates conditions for nations to act unilaterally. As a result, France has enacted a tax on digital services, which will be paid on money earned from providing certain types of electronic services (including advertising) on French territory (Republic of France, 2019). According to projections, collecting this tax in 2019 might bring in almost 400 million euros for the French budget (Pellefigue, 2019).

The French initiative provoked lively discussion and fierce resistance from some of France's economic partners. Considering that the collection of this tax will primarily affect companies from the United States, which occupy a dominant position in the global electronic services market, this state has not only called for the abolition of the tax but also threatened to retaliate ("Gafa Tax – The US announces," 2020). However, in France, introducing a "digital" tax is considered a forced measure in modern conditions and the possible long-term negative consequences are looked at adequately (Longuet, 2019). Other states are considering taxing cross-border transactions to provide electronic services. Christians and Tazeem (2020) offered a timeline of country initiatives on this topic.

Managerial and Theoretical Implications

The main managerial conclusions that we made based on the results obtained are as follows:

- Taxation of economic cross-border transactions for the provision of services in electronic form within the framework of modern tax policy consists of two aspects. First, it is an interaction between consumers and sellers by the state in achieving the tasks of their modification within a particular jurisdiction based on the specifics of its tax system and the level of technical support (regulatory function). A striking example of the manifestation of the regulatory function in this aspect is the use of tax administration tools in the process of regulating the shadow economy. High-quality tax administration allows for increased tax collection without significantly increasing the tax burden. Second, creating fair, competitive conditions promotes capital redistribution by concentrating in the hands of effective owners, thus boosting economic processes.

- At the international level, mainly within the OECD or under the auspices of this organization, a lot of work has

been done on all the most significant aspects of the taxation of cross-border transactions for the provision of services or the transfer of goods electronically. The outcomes of this study are provided in various papers (ministerial conference decisions, comments on the OECD Model Convention, recommendations, and so on). Although these publications are merely suggestions, many states apply the procedures and laws included within them to adapt national tax systems to the reality of the new (digital) economy.

- Efforts made at the international level to agree on common principles of taxation of cross-border transactions for the provision of services or the transfer of goods in electronic form have not only reduced the risk of excessive fiscal pressure on e-commerce but also taken additional measures to curb the possibilities of tax evasion and also to improve the efficiency of tax control. At the same time, given the scale of the digital economy and the pace of its development, the results achieved should be considered only as an initial stage.

- Analysis of the reception by national legislation (in particular, the tax legislation of Russia) of the internationally developed general principles and rules for the use of consumption taxes when performing cross-border transactions for the provision of services in electronic form allows us to conclude that such principles and rules make it possible to carry out modernization of the taxation system and adapt it to the challenges of the new (digital) economy over a short period. As shown by Russia's experience, the rules proposed by the OECD have retained their practical significance. Despite this, initially, these rules need to be constantly updated and also can be modified in the implementation process into the national tax regulation system (taking into account its specifics).

In practice, each country or association of countries applies these recommendations based on its own considerations, economic, technical, and technological capabilities and the level of training in the field of ICT of employees of tax services, entrepreneurs, and users of electronic services.

Limitations of the Study and Scope for Further Research

We attributed the following points to the limitations of the study that may affect the results obtained:

- The experts evaluating the selected sources were mainly representatives of Russia; therefore, the results obtained are primarily based on the use of Russian taxation practices. However, because our research mainly focused on the analysis of the OECD documents, we believe the results cannot be considered a local study.

- We focused on publicly available sources and scientific articles, information about which can be found in such citation databases as Scopus, Web of Science, and RSCI.

In further research, we see the need to improve the mechanisms for the payment of indirect taxes in the provision of electronic services and the need to develop tax rules for transnational companies that generate income in the digital plane.

Authors' Contribution

Dr. Alexander Georgievich Gurinovich and Dr. Alexey Alimovich Shakhmametiev contributed equally to the conception, design, execution, and interpretation of the reported study.

Conflict of Interest

The authors certify that they have no affiliations with or involvement in any organization or entity with any financial or non-financial interest in the subject matter or materials discussed in this manuscript.

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