

Brussels, 18 May 2020

EACA Statement on Digital Services Tax during Corona pandemic

Dear Commissioner Gentiloni,

Communication agencies across Europe are struggling with the economic impact of Covid-19. Advertising spend collapsed and we are witnessing a dramatic downturn of the scale of advertising. Consumer confidence has plummeted, consumption and industrial production are in decline. This directly impacts, e.g., the event industry (exhibitions, cultural events, sponsorships of sports events), out of home advertising and advertising in sectors that are hit the hardest by the crisis, including tourism, hospitality and automotive.

Against this background, we are disconcerted by rumours that suggest a revamp of an EU-level digital services tax. Not only does this go against any tacit or public agreement to halt both EU-level and national DSTs while the OECD is still negotiating a global solution, it is also a highly counterproductive suggestion to introduce a new tax that would disproportionately hit the advertising sector while it is already suffering from the Covid-19 crisis.

In addition to a direct impact of such a tax on agencies, it would also lead to an indirect increase of fees for placing ads online. Whereas the intended target of this tax seem to be platforms (that are also struggling with a decline in ad spend), they would be highly likely to pass on this tax to those buying ad space. Agencies would therefore suffer twice – on top of Covid-19-related difficulties.

We therefore strongly urge you not to succumb to pressures from some politicians and to refrain from including an EU-level DST in the current debate on a “recovery fund” or in the new tax package in the context of the fair tax agenda.

We remain at your disposal for more detailed information and any clarifications you may require. In case of questions, please contact nina.elzer@eaca.eu.

Kind regards



Tamara Daltroff
Director General, EACA

EACA is the voice of Europe's communication agencies and associations, promoting the economic and social contribution of commercial communications to society. EACA monitors and engages in relevant policy debates supporting evidence-based and proportionate regulation, forms industry coalitions, and promotes and participates in the development of industry standards. EACA's members comprise advertising, media, digital, branding and PR agencies as well as their national associations – together they represent more than 2,500 organisations from nearly 30 European countries that directly employ over 120,000 people.