

France to 'fight' for Amazon inclusion in digital tax

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France said Wednesday it would make sure that internet commerce giant

Amazon is subject to a minimum global tax endorsed by the Group of Seven wealthy nations.

According to the plan, countries would be allowed to tax a share of the profits of the most profitable companies in the world at a rate of at least 15 percent, regardless of where they are based.

This would apply, however, only to companies whose profit margins exceed 10 percent.

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But French Finance Minister Bruno Le Maire told the broadcaster RMC that the potential loophole would not stand.

The tax reform "must apply to Amazon," he said. "France will fight to make sure that it does."

He said the tax reform had been negotiated at the Organisation for Economic Co-operation and Development with the specific aim of making all digital giants pay their fair share.

"The problem with Amazon is that some of its businesses don't generate a [profit](#) margin of more than 10 percent," Le Maire said, singling out its deliveries branch.

At Amazon's cloud-based services, meanwhile, margins are "very large," he said.

The answer was to treat Amazon's businesses separately for tax purposes "so that all the very profitable parts are certain to be subject to this

digital taxation".

Le Maire acknowledged there were several obstacles still to overcome before the world could apply the digital tax regime.

One was that China's agreement was needed. "Believe me, that's going to be a very different ballgame," Le Maire said.

Another is the hope of some European countries to go beyond the 15 percent tax rate, which Le Maire said constituted only a "minimum rate."

The final challenge is to make sure that "all digital giants are subject to this tax without exception."

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