

ANNEXURE 2

TREATY CHARACTERISATION OF E-COMMERCE PAYMENTS – TAG REPORT AND INDIAN POSITION

TREATY CHARACTERISATION OF E-COMMERCE PAYMENTS – TAG REPORT AND INDIAN POSITION

S. No	E-Commerce Transaction	TAG (OECD) View	India-UK Treaty	India-USA Treaty	Indian Income tax Act, 1961
1	Electronic order processing of tangible products	Business profits	Business profits	Business profits	Business profits
2	Electronic ordering and downloading of digital products	Business profits	Royalty	Royalty	Royalty
3	Electronic ordering and downloading of digital products for purposes of copyright exploitation	Royalty	Royalty	Royalty	Royalty
4	Updates and add-ons	Business profits	Royalty	Royalty	Royalty
5	Limited duration software and other digital information licenses	Business profits	Royalty	Royalty	Royalty
6	Single-use software or other digital product	Business profits	Royalty	Royalty	Royalty
7	Application Hosting-Separate license	Business profits	Royalty.	Royalty.	Royalty.

8	Application Hosting-Bundled contract	Business profits	Royalty	Royalty	Royalty
9	Application Service Provider ("ASP")	Business profits	Royalty	Royalty	Royalty
10	ASP license fees	Business profits	Royalty	Royalty	Royalty
11	Web site hosting	Business profits	Royalty	Royalty	Royalty
12	Software maintenance	Business profits/ Fee for technical services	Business profits/ Fee for technical services	Business profits/ Fee for technical services	Business profits/ Fee for technical services
13	Data warehousing	Business profits	Royalty	Royalty	Royalty
14	Customer support over computer network	Business profits	Fees for technical services	Fees for technical services	Fees for technical services
15	Data retrieval	Business profits	Business profits	Business profits	Business profits
16	Delivery of exclusive or other high-value data	Business profits	Business profits	Business profits	Business profits
17	Advertising	Business profits	Business profits	Business profits	Business profits
18	Electronic access to professional advice (eg consultancy)	Business profits	Business profits	Business profits	Fees for technical services
19	Technical information	Royalty	Royalty	Royalty	Royalty
20	Information delivery	Business profits	Business profits	Business profits	Business profits

21	Subscription-based interactive web site access	Business profits	Business profits	Business profits	Business profits
22	Online shopping portals	Business profits	Business profits	Business profits	Business profits
23	Online auctions	Business profits	Business profits	Business profits	Business profits
24	Sales referral programs	Business profits	Business profits	Business profits	Business profits
25	Content acquisition transactions (a) existing copyrighted content (b) newly created copyright acquired	(a) Royalty (b) Business profits	(a) Royalty (b) Business profits	(a) Royalty (b) Business profits	(a) Royalty (b) Businessprofits
26	Streamed (real time) web based broadcasting	Business profits	Business profits	Business profits	Business profits
27	Carriage fees	Business profits	Business profits	Business profits	Business profits
28	Subscription to a web site allowing the download of digital products	Business profits	Royalty	Royalty	Royalty