Electronic Money Association
67 Square Marie-Louise
Brussels 1000
Belgium
www.e-ma.org

OECD Centre for Tax Policy and Administration
Submitted by email: taxpublicconsultation@oecd.org

14 August 2026

Dear Sir/Madam

Re: EMA response to the OECD Public Consultation Document on Proposed Targeted Amendments to the Model Reporting Rules for Digital Platforms

The EMA is the EU trade body representing electronic money issuers and alternative payment service providers. Our members include leading payments and e-commerce businesses worldwide, providing online payments, card-based products, electronic vouchers, and mobile payment instruments. Most members operate across the EU, most frequently on a cross-border basis. A list of current EMA members is available on our website.

The EMA welcomes the opportunity to comment on the OECD Secretariat's proposed targeted amendments to the Model Reporting Rules for Digital Platforms (the "Model Rules").

I would be grateful for your consideration of our comments and proposals.

Yours sincerely,

Dr Thaer Sabri
Chief Executive Officer
Electronic Money Association

1. The proposed narrowing of the payment processor exclusion from the "Platform Operator" definition

The consultation paper proposes to add the following language to the "Platform Operator" definition and Commentary:

"The term Platform Operator does not include an Entity whose activities are limited to the processing of payments, including the handling or transfer of funds, and that does not have independent knowledge of the underlying contractual arrangements, the Relevant Services, or the Consideration."

This would sit alongside, and materially narrow, the existing Commentary, which currently provides that the definition of Platform Operator:

"does, however, not encompass pure payment processors, which only handle the movement of funds and have no independent knowledge of the underlying contractual arrangements, Relevant Services and Consideration."

We would highlight that the proposed "independent knowledge" qualifier conflicts with the practical realities of how payment processing operates. A PSP settling a payment on behalf of a Platform Operator will necessarily have knowledge of the Consideration, as the settlement amount is itself the Consideration, or a component of it. This would mean no PSP could ever satisfy the "independent knowledge" test, with the effect of removing the payment processor exclusion altogether rather than merely narrowing its scope.

We would prefer that the OECD retain the original language and not proceed with this additional wording. If the Secretariat considers that further amendment is warranted, we would strongly encourage the OECD to seek further input from industry before implementing any changes.

2. The proposed expansion of the "Platform Operator" definition

The "functionally integrated" concept as drafted is broadly framed and raises significant data protection concerns. As currently drafted, a PSP could be found to have "Platform Operator" status, even where its primary role is limited to payment processing, simply by virtue of linking to, or embedding, limited functionality from an actual Platform Operator's website or application within its own website or application. Although the PSP would have neither a legal relationship with, nor insight into, that Platform Operator's Sellers, it could nonetheless find itself obliged to collect tax information from, and report on, those Sellers under the Model Rules, despite having no existing AML/KYC or other regulatory basis for doing so in respect of those Sellers. This outcome is inconsistent with established data protection principles.

This also creates a corresponding practical problem: if the PSP has no legal relationship with the underlying Sellers, it is unclear how it could obtain the consent, or the underlying data, needed to comply with its reporting obligations. In our view, this level of passive involvement with another Platform Operator does not rise to the level of "immediately intermediating the linking-up between Sellers and other users" that the Model Rules are intended to capture.

Should the OECD decide to proceed with this change, we would recommend that it more comprehensively address the resulting risk of duplicative reporting, beyond what is currently proposed in the consultation document. Specifically, where a PSP is functioning as described above in respect of a platform that is already subject to reporting under the Model Rules, only that other Platform Operator should be required to report.

We consider this the proportionate approach because that other Platform Operator is the entity that: (i) has the legal relationship with the Sellers, including any applicable AML/KYC obligations; (ii) more directly intermediates the connection between Sellers and other users; and (iii) is already subject to, and reporting under, the Model Rules. This approach would: (1) reduce the administrative burden on tax authorities, which would otherwise need to reconcile duplicative reporting received from multiple parties in respect of the same Sellers and transactions; (2) mitigate the data protection concerns described above; and (3) minimise Seller and taxpayer confusion, since, for example, in jurisdictions that require Seller notification, a Seller could otherwise receive several notifications from different parties relating to the same transactions and would have to reconcile that information themselves in order to exercise their data protection rights effectively.

Given the reasons set out above, we would prefer that the OECD not proceed with the proposed expansion of the “Platform Operator” definition.