

India seeks an end to WTO's 1998 tariff freeze on digital trade

INDIA IS SEEKING to end a freeze on countries taxing electronic trade, a move that would allow tariffs to be imposed on anything from software downloads to video games.

New Delhi will ask WTO members to lift a moratorium on customs duties on electronic transmissions, according to a person familiar with the matter, who asked not to be identified as the discussions aren't public. The issue will come up for discussion at the WTO's ministerial meeting in Abu Dhabi in February.

The WTO has had a moratorium on customs duties on electronic transmissions since 1998, and members have extended the rule every two years. India and other developing nations like South Africa say the restriction leads to a loss of tariff revenue and affects their trade competitiveness. India wants to be able to tax goods that are embedded in digital trade, the person said. It will also push the WTO to bring clarity on the definition of goods in e-commerce, the person said.

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