

insights

President Trump issues Executive Order greenlighting the offset of any digital service taxes (DSTs), policies, fines, and other actions foreign nations impose on American corporations

THOMPSON COBURN TRADE ALERT

HEADLINE President Trump issues Executive Order greenlighting the offset of any digital service taxes (DSTs), policies, fines, and other actions foreign nations impose on American corporations

DATE February 21 2025

AGENCY Presidential Action

EFFECTIVE DATE N/A

BACKGROUND The Trump Administration announced in a Presidential Memorandum that it will impose tariffs or take other responsive actions to mitigate harm against American companies in response to foreign governments it identifies as imposing fines, taxes, penalties, or other burdens that are discriminatory or disproportionate, particularly regarding the technology sector and intellectual property.

The Administration will review:

- Taxes imposed on American companies by foreign governments that could be discriminatory;
- Regulations imposed on American companies by foreign governments that could inhibit growth or operations of American companies;
- Any foreign government's act, policy, or practice that may jeopardize an American company's intellectual property; and
- Any act, policy, or practice of a foreign government that serves to undermine the global competitiveness of American companies.

DETAILS The USTR will:

- Decide on renewing investigations into digital services taxes (DSTs) by France, Austria, Italy, Spain, Turkey, and the UK;
- Assess DSTs from other countries that could harm American companies and explore potential action against Canada's DST;
- Explore tools for securing a permanent moratorium on customs duties on electronic transmissions; and
- Create a process for American businesses to report harmful foreign tax or regulatory practices.

The USTR, Treasury Secretary, and Commerce Secretary will:

- Identify foreign practices that harm American companies in the digital economy and suggest countermeasures;
- Investigate if EU or UK policies incentivize American companies to undermine free

speech or content moderation, and recommend countermeasures; and
• Assess if foreign taxes discriminate against American citizens or companies, including digital economy taxes, and report findings.

BASIS Presidential Memorandum

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