An Overview of the UN Model Tax convention and electronic commerce

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The development of Information and Communications Technology (ICT) on the field of international trade and commerce resulted into the development of online market or internet commerce (cyber market where vendors and buyers meet to trade); this later came to be known as Electronic Commerce (herein after E-Commerce). E- Commerce, being a new form of commerce World Wide, as against traditional commerce system, brought legal and administrative challenges to the traditional taxation system World Wide. This paperwork examined how the existing taxation principles can regulate e-commerce in line with United Nations Model Tax Convention (herein after the UN Model Tax Convention) and other international taxation guidelines adopted by Organization for Economic Co-operation and Development (herein after OECD) and World Trade Organization (herein after WTO) without compromising the on-motion internet commerce and technological development on trade and commerce sector. Lastly proposed modifications of existing rules on imposition of taxation on conventional commerce to regulate e-commerce

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