



OECD Public Consultation on ‘Model Rules for Reporting by Platform Operators with respect to Sellers in the Sharing and Gig Economy’

Comments by the German Social Insurance
from 17 March 2020

The German Federal Pension Insurance (DRV Bund), the German Social Accident Insurance (DGUV), the National Association of Statutory Health Insurance Funds (GKV-Spitzenverband) and the national associations for statutory health and long-term care insurance have come together because of their common European policy interests to form the ‘German Social Insurance – Working Group Europe e.V.’

The German Social Insurance represents its members in dealings with the bodies of the European Union and other European institutions. It also advises relevant stakeholders in the context of current legislative proposals and initiatives.

Health insurance, long-term care insurance, pension insurance and accident insurance are part of Germany’s statutory insurance system, which provides effective protection against the consequences of major life risks.

I. Preamble

On 19 February 2020, the OECD launched a public consultation on ‘Model Rules for Reporting by Platform Operators with respect to Sellers in the Sharing and Gig Economy’.¹

The reason behind the Model Rules and the consultation is the rapid growth in platforms facilitating the gig economy. This poses new challenges for tax administrations, particularly when there are transactions between parties across more than one country. These transactions are not always visible to tax authorities, especially if they are not reported by the taxpayer or a third party. However, platforms can also

¹ Link to consultation document: <https://www.oecd.org/tax/exchange-of-tax-information/oecd-seeks-input-on-draft-model-rules-for-reporting-for-platform-operators-with-respect-to-sellers-in-the-sharing-and-gig-economy.htm>

provide benefits from an administrative perspective. Transactions and related payments take place in electronic form, which can increase transparency and reduce the compliance burden for taxpayers and administrations.

As a result, several Member States have introduced reporting obligations on platform operators. However, the OECD believes that the global, cross-border nature of platform operators means that the effectiveness of national reporting rules is limited.

Against this background, the OECD has prepared a consultation paper containing Model Reporting Rules and a Code of Conduct tailored to these rules. The rules can be introduced by interested countries and would need to be complemented in due course by an international legal framework to support the automatic exchange of information.

II. Comments

The German Social Insurance welcomes the OECD initiative. In order to improve social protection in Germany, income from self-employed activities, including self-employed platform income, should also be subject to compulsory insurance. However, it can be safely assumed that many self-employed gig workers do not regularly report their platform income to the tax authorities, even if they are actually subject to compulsory insurance or social security contributions. The reporting rules proposed by the OECD are an important step towards detecting both deliberate and unintentional failure to pay social security contributions, despite being obliged to do so, and ensuring that these are paid to the relevant institutions. This is crucial for sustainable financing and adequate social protection benefits in Germany, because it is estimated that almost one in ten people of working age earns income from platform work at least once a month.² In the future, the scope of these new forms of work could increase significantly.

The proposal to also use the data for social security purposes³ is very relevant in Germany and should be pursued by the OECD. In terms of using the reported information for social security purposes, it is important to take national initiatives into account. The definitions and procedures for data exchange between tax authorities,

² See the European Commission's COLLEEM report by Urzi Brancati et al. (2020), p. 18.

³ See Consultation Document, p. 7/Nr. 10.

as defined in the Model Rules and the Code of Conduct, should be reviewed to see whether they are appropriate for the use of the data for social security purposes.
