

Netflix to begin declaring revenue in the UK after tax haven accusations

Netflix will have to start declaring its U.K. revenues after facing criticism for allegedly structuring itself to avoid taxes with the help of overseas tax havens.

5 According to The Hollywood Reporter, Netflix will have to start declaring its U.K. revenues, forecast to be roughly \$1.7 billion in 2021, to British tax authorities. Because the money from subscriptions in the U.K. will now be officially recognized, it can therefore be officially taxed.

10 The move comes after the streaming giant was called out by British think tank Tax Watch UK, which issued a report examining whether the company structures its international businesses in order to avoid taxes.

15 "In total, we estimate that the company moved between \$327.8m to \$430m in profits to low tax jurisdictions from its international operations, there is little doubt that Netflix has structured itself to avoid paying tax, and evidence from the company's US filings suggest that the company is moving money from its international markets into tax havens."

20 The outlet reported that the U.K. taxes on profits rather than revenues, making it difficult to estimate exactly how much Netflix will end up shelling out in taxes in 2021. The situation is complicated further by the company's decision to ramp up production in the country by 50% following the success of shows like "The Crown" and "Sex Education."

In February, Netflix found itself at the heart of a debate in the British Parliament over its alleged tax havens. Labour MP Dame Margaret Hodge, who represented the British Labour Party, was highly critical of the corporation.

25 "The U.K. taxpayer is being taken for a ride," Hodge said at the time. "We are actually handing over cash while Netflix stashes money offshore."

Representatives from Netflix have said that the company complies with the laws of each company it operates in, according to a report from the BBC.

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Nom de l'épreuve : Anglais	Code : CG/ANG/ORAL/OBL	Page 1 / 1