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CSI Statement on USTR's Launch of Dispute Settlement Process over Canadian Digital Services Tax

Washington, D.C. (August 30, 2024) —The Coalition of Services Industries (CSI) today issued the following statement on USTR's announcement that it will initiate consultations after Canada enacted a digital services tax that primarily targets US companies:

Said CSI President Christine Bliss:

"We applaud USTR's decision to pursue enforcement against Canada's discriminatory digital services tax, which we believe violates Ottawa's national treatment obligations under USMCA.

"We urge the Canadian government to rescind its implementation of the tax, which also features a highly problematic retroactive application inconsistent with international norms. Canada's pursuit of the DST has not only impaired bilateral trade relations but also complicated global efforts to forge a new digital tax regime through the OECD/G20 Inclusive Framework. USTR's strong enforcement action is the right response."

CSI is the leading U.S. industry association devoted to promoting the trade policy priorities of the U.S. services sector on services and digital issues. Our members include companies that provide financial services, information and communication technology services, telecom services, express delivery and logistics, media and entertainment, distribution, and professional services to all sectors of the economy, including manufacturing and agriculture. CSI members include manufacturers of consumer electronics, telecommunications equipment and health and nutrition products. Our members operate in all 50 states and in nearly 200 countries, representing both large and small firms. CSI also works with counterpart organizations around the globe as co-chair of the Global Services Coalition and the Asia Pacific Services Coalition.