

12th WTO Ministerial Conference: E-commerce moratorium extended till 2025

Synopsis

Goyal was speaking to the press after the conclusion of the 12th World Trade Organization (WTO) Ministerial Conference on Friday.

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Geneva: World Trade Organisation Ministerial Conference has extended the moratorium on taxation on e-commerce transactions, said the Union Minister of Commerce and Industry [Piyush Goyal](#), noting that the extension is with a deadline.

Goyal was speaking to the press after the conclusion of the 12th World Trade Organization ([WTO](#)) Ministerial Conference on Friday.

"The moratorium was extended but with a deadline. It was decided that there has to be clarity on this issue by March 2024," Goyal said. The next ministerial conference (MC13) is set to be held then.

The WTO members had agreed to not impose customs duties on electronic transmissions since 1998 and the moratorium has been periodically extended at successive ministerial conferences. However, India has increasingly become a strict opponent of the move and initially blocked the continuation of the moratorium at MC12.

[New Delhi](#) had stressed that it is willing to tax electronic transactions in the near future, using Section 9(1)(i) of the Income Tax Act. It also wants to retain the policy space to grant preferential treatment to digital products created within India.

The 12th ministerial conference has ended with deals on a global intellectual property rights (IPR) waiver for COVID-19 vaccines and fishing subsidies to protect ocean resources.

"Everyone had written off this conference as a failed endeavour when it had begun. There had been no decision, not even an outcome document at WTO since 2015. There were a lot of arguments against multilateralism and that globalization has no promise. This conference has reestablished the position of multilateral institutions by deciding on issues which were pending for decades," Goyal said.

Speaking about the proposed global declaration to not curb foodgrain exports to the World Food Programme (WFP), he said that The WTO has also decided to craft a significant response to the pandemic.

Goyal was referring to the patent waiver for COVID-19 vaccines.

However, the meeting has also approved a temporary suspension of certain parts of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).

"The WTO has approved the solution that came out of consistent discussions between India, South Africa, United States and European Union on the issue," he said referring to the deal will help to develop and poor nations to access much-needed vaccines.

The World Trade Organization (WTO) is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their parliaments.

The WTO has 164 members (including European Union) and 23 observer governments (like Iran, Iraq, Bhutan, Libya etc).

The structure of the WTO is dominated by its highest authority, the Ministerial Conference, composed of representatives of all WTO members, which is required to meet at least every two years and which can take decisions on all matters under any of the multilateral trade agreements.