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Mr. Jürgen Ligi
Minister of Finance
Suur-Ameerika 1
Tallinn 10122
Estonia

Berlin, 7 February 2025

Re: eBay – DAC7

Dear Minister Ligi,

I am writing to raise an issue of concern to millions of consumer sellers in the EU related to the unintended consequences arising from certain information-sharing obligations under the EU Directive on Administrative Cooperation (DAC7). Therefore, I would like to seek your support for solutions that could significantly improve the situation for consumer trade and the European circular economy.

Like other EU Member States, Estonia has transposed EU Council Directive (EU) 2021/514 of 22 March 2021 – commonly known as DAC7 – requiring sellers exceeding a certain threshold (30 transactions or a total sales value of over €2,000 annually) to share their tax identification number with online marketplace platforms such as eBay. Platforms are required to report the transaction history to the tax office.

Since these rules came into force, we have observed a chilling effect on the consumer-to-consumer (C2C) segment on our platform. We believe this decline is primarily due to a lack of understanding among consumer sellers regarding the true implications of DAC7, exacerbated by inaccurate media reports suggesting this is a new tax and varying levels of communication from national tax administrations to counter this misrepresentation. As a result, many C2C sellers have reconsidered their selling behaviour.

A recent survey among consumer sellers revealed that only 13% of respondents understand the implications of DAC7. One fifth of those who are selling less since the entry into force of DAC7 indicated they now prefer to discard items instead of selling them. This has a significantly negative impact on the circular economy and the EU's sustainability agenda, as most items end up in landfills.

As part of our outreach on this matter, we have already contacted the European Commission as well as various other EU Member States to make them aware of the adverse effects DAC7 has had on our business and on the circular economy and to propose changes to mitigate the negative impact. Our understanding is that the European Commission has shown willingness to work on improvements, and the OECD may follow suit. It is essential, however, that this is supported by the Member States.

Geschäftsführerin: Dr. Saskia Meier-Andrae
HRB Nr.: 13754 P, Amtsgericht Potsdam, Sitz der Gesellschaft: Kleinmachnow

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nr. 11-4.1/911-1

Furthermore, I would also like to point out our interest in the matter of taxation of multinational companies in the digitalised economy, as we currently do not see an outcome on the solution proposed by the OECD. Our primary concern is that multiple national solutions could result in double taxation, which would negatively impact our users. We would appreciate your insights on the future of the Digital Services Tax (DST) and its possible parallels at the European level.

Should you or your services have any questions or remarks, please do not hesitate to contact me or my colleague Dr. Nikolaus Lindner (nlindner@ebay.com; +49-163.322.9376), Senior Director Government Relations Continental Europe.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'OK' or similar initials, written in a cursive style.

Oliver Klinck
Vice President Europe & International Markets, eBay