The UN Tax Committee’s update of the UN Model Tax Convention to include Article 12B provides an innovative yet practical solution which is simple and easy to administer to address the issue of taxing income from automated digital services. At its most recent session, the Committee decided to continue to advance work on fast-tracking this and other key UN Model Tax Convention provisions for more effectively taxing the digitalized and globalized economy.

**TAXATION OF THE GLOBALIZED AND DIGITALIZED ECONOMY**

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**TRANSFER PRICING**

The UN Tax Committee’s Subcommittee has recently approved guidance regarding the practical application of the arm’s length principle in different areas ranging from the influence of COVID-19 and economic downturns on intercompany transactions to transfer pricing aspects of CO2 certificates.