



This article attempts to summarize the evolution of the PE concept from the then physical nexus to the now virtual or digital nexus - It tries to lay down the fundamental features of traditional notions of PE and the future of multinational tax co-operations. It also highlights the intense political pressure on all the jurisdictions to tax highly digitalized MNE's and the rigorous unilateral measures adopted by such jurisdictions without waiting for final conclusions that may be applied uniformly and bilaterally, to avoid the chaos which is more likely in the absence of a uniform formulatory approach of taxation. The article discusses the countries response to the global effort on digital economy taxation and the foreseeable issues and concerns raised on the measures, which need further deliberations. Finally, discussed are the steps India as an economy has taken to tax the digital businesses and the formulatory approach adopted by India in line with the unif.....