



PART A: CONSTITUTION OF A PERMANENT ESTABLISHMENT IN A DIGITAL ECONOMY Alfred E. Neuman: “Today, it takes more brains and effort to make out the income-tax form than it does to make the income.” BACKDROP & SYNOPSIS Multinational enterprises operating in France through the digital economy are facing corporate tax and value added tax assessments (VAT) based on recent permanent establishment characterizations by the French Tax Authorities. In one such judgment in the case of France vs. Valueclick Ltd., Supreme Administrative Court (CAA), Case No 420174 delivered on December 11, 2020, the Council of State (French Administrative Supreme Court) upheld the existence of a Permanent Establishment (PE) in France for a digital service provider company based in Ireland operating in France through a subsidiary by holding the French subsidiary as a “dependent.....