Before the
Office of the United States Trade Representative
Washington, D.C.

In re Request for Public Comments on National Trade Estimate
Docket Number: USTR-2026-0498

COMMENTS OF
THE DIGITAL MEDIA ASSOCIATION (DIMA)
REGARDING THE NATIONAL TRADE ESTIMATE REPORT ON FOREIGN TRADE BARRIERS

October 29, 2026

Introduction

The Digital Media Association (DIMA) offers the following comments in response to USTR's Federal Register notice inviting submissions from the public to assist USTR and the Trade Policy Staff Committee to identify significant foreign barriers to, or distortions of, U.S. exports of goods and services and U.S. foreign direct investment, for inclusion in the National Trade Estimate Report.

DIMA represents the leading music streaming services in the world: Amazon, Apple Music, Feed.fm, Pandora, Qobuz, Spotify, TIDAL, and YouTube. Our members are the driving force of recorded music revenue in the United States, Mexico, Canada, and much of the rest of the world.

DIMA's members are responsible for approximately 82% of recorded music revenues in the United States[1] with the record industry reporting royalty revenues from streaming at approximately $9.5 million domestically[2] and $22 billion globally,[3] and for the music publishing industry reporting royalty revenues from streaming at approximately $7.3 billion domestically[4] and $10 billion globally.[5]

Music streaming services are not just the economic engine powering the U.S. and global music industries; music streaming is also a significant contributor to the broader economy. In the U.S., for every $1 in economic value generated by streaming, other sectors of the U.S. economy gain an additional $1.65. For every job directly created in music streaming, other sectors of the U.S. economy gain nine additional jobs. And streaming services are constantly innovating – in 2020, 8.82% of revenue from streaming services went to research and development – more than twice the investment level of the average industry. Streaming sustains thousands of businesses large and small, from the services themselves to artists, songwriters, producers, managers, record labels, music publishers, and collective rights management organizations.

All of this has helped transform the music industry into a growing, commercially vibrant sector that is once again attracting private investment, generating resources to nurture and develop talent, and delivering an enhanced experience for fans. 94% of U.S. music streamers say they

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[1] Digital Media Association, DIMA Annual Report 2026, Digital Media Association (June 9, 2026), https://dima.org/wp-content/uploads/dlm_uploads/2026/06/dima-2026-streaming-report.pdf.

[2] Ariel King, RIAA 2026 Mid-Year Report: Streaming Growth Drives Revenue to $6 Billion, CD Sales Increase More Than 50%, Billboard Pro (September 1, 2026), https://www.billboard.com/pro/riaa-2026-mid-year-report/.

[3] International Federation of the Phonographic Industry, Global Music Report 2026: Global Revenues Grow 6.4% As Record Companies Drive Innovation, International Federation of Phonographic Industry (March 18, 2026), https://www.ifpi.org/global-music-report-2026-global-recorded-music-revenues-grow-6-4-as-record-companies-drive-innovation/.

[4] National Music Publishers' Association, US music publishing revenues hit $7.3B in 2025, NMPA reveals at Annual meeting honoring P!nk, Julian Bunetta and Harvey Mason jr., National Music Publishers' Association (June 11, 2026), (https://www.nmpa.org/us-music-publishing-revenues-hit-7-3b-in-2025-nmpa-reveals-at-annual-meeting-honoring-pnk-julian-bunetta-and-harvey-mason-jr/.

[5] Omdia, Omdia: Music publishing revenue growth to outshine recorded-music over the next five years, Omdia (October 20, 2025), https://omdia.tech.informa.com/pr/2025/oct/omdia-music-publishing-revenue-growth-to-outshine-recorded-music-over-the-next-five-years.

like or love their streaming service.[6] This is translating into real results for the music industry – streamers are spending 26% more on recorded music today than they did just five years ago.[7]

The majority of DIMA's members operate internationally, and all of them rely on global music supply chains that enable music listeners to listen to whatever music they want, whenever they want, and for artists to connect with fans and reach new audiences around the world.

Streaming is a global success story – and a testament to American innovation and creativity – but there are a number of initiatives under consideration or recently enacted in countries around the world that could negatively impact this positive story and penalize and discriminate against U.S. companies - including the American music industry supply chain.

DIMA appreciates USTR's consideration of these issues and the work to identify unfair foreign trade barriers.

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Discoverability

Canada

In 2023, the *Online Streaming Act* was passed by the Canadian government. The Act (previously referred to as Bill C-11) was ostensibly intended to update the country's *Broadcasting Act* for the streaming age. According to the Canadian government, the Act was meant to play "an important role in supporting Canada's cultural industries and ensuring Canadian content is available and accessible." DIMA takes no issue with those stated goals, but in practice, the Act and its implementing regulations impose new discriminatory obligations that fall overwhelmingly on U.S. businesses, compel American streaming services to make contributions to funds for Canadian content, and create discriminatory barriers in the online marketplace. The *Online Streaming Act* differentiates between foreign and domestic streaming services, imposing disproportionate obligations on U.S. companies.

The Canadian law attempts to impose outdated, local broadcasting regulations fashioned in the face of a limited broadcast spectrum on global, internet-based services. This is neither practical nor desirable. It would have significant implications for U.S. companies and creators, as well as those in Canada.

The *Online Streaming Act* has attracted attention in both the U.S. and Canada, and scrutiny from U.S. Congressional leaders. This included a July 2025 letter to Secretaries Bessent, Lutnick, and USTR Greer that was signed by 18 members of the House Ways and Means Committee, calling on President Trump to instruct Prime Minister Carney to suspend the *Online Streaming Act,* which they described as a "major threat" to the U.S.–Canada trade relationship. Subsequently, in March 2026, Representative Lloyd Smucker (PA-11), a member of the Ways and Means Trade Subcommittee, introduced the *Protecting American Streaming and Innovation Act*, legislation to

[6] Digital Media Association, *supra* note 1.

[7] Digital Media Association, *supra* note 1.

counter Canada's digital trade barriers targeting American streaming companies and content producers.

The *Online Streaming Act* and its implementation is a substantial departure from the principles – and, in many cases, plain text – of the USMCA and operates as a foreign trade barrier. At the time of its passage, some observers noted that the law as written would likely violate the USMCA under Articles 19.4 (non-discriminatory treatment of digital products), 15.3.1 (national treatment in cross-border trade in services), and Article 14.10.1(b) (national treatment in investment).[8]

Implementation of the bill has brought these concerns into even sharper focus. On June 4, 2024, the Canadian Radio-television and Telecommunications Commission (CRTC) issued its first major decision implementing the *Online Streaming Act*.

The CRTC's decision stipulated that foreign, largely U.S.-based, music and audio-visual streaming service providers with revenues over $25M must contribute 5% of their gross in-country revenue to a set of Canadian cultural and content funds, such as the Indigenous Music Office and the Community Radio Fund of Canada. These funds would finance initiatives supporting Canadian or Indigenous content including "support for Canadian events exclusively featuring Canadian and/or Indigenous artists," among other funds.[9]

Critically, the 5% levy openly targets foreign companies, and in particular U.S. streaming companies, since it expressly exempts their competitors affiliated with Canadian broadcasters. Moreover, music streaming services are required to allocate 1.5% of their mandatory 5% contribution to subsidize local Canadian broadcast radio news production. This obligation is entirely unreasonable since music streaming services are not in the news business, meaning the levy represents a government-mandated subsidy to an unrelated industry.

The measure also imposes an undue economic and competitive burden on music streaming services. By applying the contribution to gross revenues rather than profits, the framework fails to reflect the economics of the streaming market, where roughly 70% of revenues already flow to rights holders in royalties and licensing payments. In practice, this design results in a double payment to the music sector and has a disproportionate impact on digital services compared to traditional broadcasters whose music royalties represent a vastly lower share of their revenue compared to the streaming revenue split. The levy effectively operates as a market-access barrier or "entry fee" for participating in the Canadian market. In effect, the framework creates a one-sided financial requirement borne only by foreign providers – primarily U.S. providers – leaving domestic competitors unaffected.

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[8] Computer & Communications Industry Association, CCIA White Paper on Canada's Online Streaming Act (Bill C-11), Computer & Communications Industry Association (January 19, 2023), https://ccianet.org/library/ccia-white-paper-on-canadas-online-streaming-act-bill-c-11/.

[9] Canadian Radio-television and Telecommunications Commission, Broadcasting Regulatory Policy CRTC 2024-121-1 and Broadcasting Order CRTC 2024-194, Canadian Radio-television and Telecommunications Commission (August 29, 2024), https://crtc.gc.ca/eng/archive/2024/2024-121-1.htm .

According to a report by the Computer and Communications Industry Association (CCIA), "conservative estimates indicate U.S. companies will be forced to direct an extraordinary US $2.19 billion to the funding of Canadian cultural organizations and the production / acquisition of certified Canadian audiovisual content by 2030."[10]

While we welcome Canada's announcement in July 2026 to direct the CRTC to revisit its regulation of streaming services under the *Online Streaming Act* and eliminate the 5% base contribution and mandatory investment obligations, the implementation of this decision must include the elimination of the contributions in full, i.e. since the initial 2025 CRTC decision. This comprehensive removal of the levy is essential to ensure that U.S. companies are not unfairly targeted and streaming services are able to continue offering affordable music streaming services throughout Canada.

Quebec

On December 12, 2025, the National Assembly of Quebec passed Bill 109 which amends the province's Charter of Human Rights and Freedoms by establishing a right for Quebecers to access French-language content on music and video streaming services, as well as appliances and connected devices, and a related private right of action in the courts to enforce it. The law determines that regulations will establish criteria for what is French-language content, and may determine requirements for French-language content quotas and how such content must be made available, likely in a manner that discriminates against U.S. content. Under Bill 109, a new Ministry office must be established and regulations drafted and finalized to prescribe the requirements of the law. The proposed new Ministry would enjoy broad and investigative powers, including the authority to impose fines and additional new rules on U.S. streaming firms. The advancement of Bill 109 creates new regulatory uncertainty and barriers that could disrupt the stability music services need to continue delivering choice, access, and affordability to consumers.

Australia

In 2026, the Australian Government sought input from stakeholders on a new National Cultural Policy with certain local music stakeholders advocating for the government to mandate local music discoverability requirements for streaming services. In APRA AMCOS's (Australasian Performing Right Association and Australasian Mechanical Copyright Owners Society) latest *Year in Review* report[11], they advocate minimum Australian music content visibility requirements across platforms intended to address a decline in consumer consumption of Australian music relative to other music on streaming services. DIMA members strongly support Australian artists and culture and make considerable investments in local markets to support

[10] Computer & Communications Industry Association, Canada's Requirement to Force U.S. Companies to Fund Local Music and Video Content Could Cost the U.S. Industry $8 Billion by 2030, Computer & Communications Industry Association (September 2025), https://ccianet.org/wp-content/uploads/2025/09/Cost-of-Canadas-Online-Streaming-Act.pdf.

[11] Jade Kennedy, APRA AMCOS Reports Record $857.4M Revenue as Australian Music's Streaming Share Plummets (October 2026), https://themusicnetwork.com/news/apra-amcos-reports-record-857-4m-revenue-as-australian-music-s-streaming-share-plummets.

local creators, but view any discoverability requirements, investment quotas or mandatory payments to support narrowly defined domestic works as a trade barrier and discriminatory against U.S. companies and U.S. content. Furthermore, since music streaming services do not produce music content but source it from a global supply chain, they are not in the business of creating consumer demand for one type of music over another.

Music Licensing Double Payments - "Equitable Renumeration"

Chile

On November 3, 2025, the Chilean House of Deputies passed legislation known as *Ley Tommy Rey*. This legislation is now in its second constitutional stage in the Chilean Senate and is before the Culture Committee. Once that review concludes, the bill will also go to the Constitution and Justice Committee and the Foreign Affairs Committee.

Ley Tommy Rey proposes to introduce a new non-waivable and non-transferable right to remuneration for performers when their performances are made available to the public. This proposed new right would be additional to the existing exclusive rights, and the additional right would apply even if performers have already assigned their exclusive rights and the rights have been paid for by streaming platforms through licensing contracts with rights holders, such as producers or record labels. Under this approach, digital services would be forced to pay twice for the same rights in the same stream: once under existing licensing agreements, and again via a collective management organization (CMO). It would also impose an undue administrative burden by requiring services to identify and pay on the contributions of thousands of additional parties with which they have no privity of contract.

This legislation is part of a concerning trend across the region that is often improperly intertwined with discussions about the rights of actors in AV works. The music and film industries, however, are very different and the additional remuneration right proposals in the music sector would threaten the economic sustainability of the music streaming model, and have a significant impact on U.S. companies, in addition to Chilean consumers and creators.

Additionally, this legislation would run afoul of the U.S.-Chile Free Trade Agreement, including Article 17.7, which requires full transferability of copyright and related rights and guarantees freedom of contract.

By imposing inalienable, collectively managed additional remuneration payment obligation on those that have already paid, the bill disregards the terms of valid domestic and international contracts and creates legal uncertainty that could negatively impact trade relations.

Peru

In 2025, the Peruvian Congress rejected a proposal to introduce an additional remuneration right for performers of the kind now contemplated in Chile. In October 2026, the Council of Ministers in Peru published for public consultation a draft implementing decree which amends the

regulations of performers' rights[12]. This draft decree raises trade concerns since it allows for collecting societies to administer the benefits derived from performers' economic rights without requiring any evidentiary basis for the CMOs who claim to represent rightsholders (Article 7). As such, the decree could lead to unsubstantiated claims from CMOs towards streaming services to pay royalties twice for the same rights in the same stream.

Music Streaming Levies

France

France imposed a 1.2% dedicated tax on music streaming services, effective January 1, 2024, on qualifying revenue exceeding €20 million, with a base comprising user payments net of VAT plus 34% of qualifying advertising and sponsorship receipts; the tax applies to providers established in France or abroad and can reach qualifying social-media services. Proceeds fund the national public institution for the music sector, CNM ("Centre National de la Musique'). The measure, which is additional to consumer and corporate taxes already in place for music streaming companies, sits alongside France's broader pattern of turnover-based levies targeting digital suppliers, including local government and parliament proposals such as to potentially extend the scope or the rate of the tax to extend the existing electronic communications levy to very large online platforms and search engines designated under the EU Digital Services Act. USTR should engage France on the cumulative burden these overlapping and proposed measures place on U.S. services and examine whether their design or application produces discriminatory effects. The tax is also directly prejudicial to the objective of increasing the penetration of licensed music streaming into the French market and the uptake of paid streaming in France lags behind that of other comparable markets in Europe and beyond.

Canada

On June 4, 2024, the Canadian Radio-television and Telecommunications Commission (CRTC) issued its first major decision implementing the *Online Streaming Act*. The CRTC's decision stipulated that foreign, largely U.S.-based, music and audio-visual streaming service providers with revenues over $25M must contribute 5% of their gross in-country revenue to a set of Canadian cultural and content funds, such as the Indigenous Music Office and the Community Radio Fund of Canada. These funds would finance initiatives supporting Canadian or Indigenous content including "support for Canadian events exclusively featuring Canadian and/or Indigenous artists," among other funds.[13] In July 2026, the Canadian government announced it will direct the CRTC to revisit its regulation of streaming services under the *Online Streaming Act* and eliminate the 5% base contribution and mandatory investment obligations. As discussed above in our section on "Discoverability, the implementation of this decision must include the elimination of the contributions in full, i.e. since the initial 2025 CRTC decision. This

[12] DECRETO SUPREMO QUE MODIFICA LOS ARTÍCULOS 7, 8, 9, 10, 11 Y 31 DEL REGLAMENTO DE LA LEY DEL ARTISTA INTÉRPRETE Y EJECUTANTE, APROBADO POR DECRETO SUPREMO Nº 058-2004-PCM, Republic of Peru Presidency of the Council of Ministers (October 2026), https://cdn.www.gob.pe/uploads/document/file/10760795/8697517-2-pds-modifica-ley-28131.pdf?v=1791481858.

[13] Canadian Radio-television and Telecommunications Commission, *supra* note 9.

comprehensive removal of the levy is essential to ensure that U.S. companies are not unfairly targeted and streaming services are able to continue offering affordable music streaming services throughout Canada.

Austria

In 2026, Austria's Culture Ministry proposed a 5% levy on music-streaming revenue in targeting subscription and advertising income above €2 million annually for services operating in Austria. A charge of this kind would apply irrespective of profitability, carrying the same revenue-based distortions seen in other European digital levies and disadvantaging U.S. streaming providers relative to lower-revenue domestic competitors. While the proposal did not advance into a budget-related law in June 2026, the USTR should continue to monitor for any revival of this or a similar measure in particular in the content of the upcoming Music Strategy Program that the government is planning to present by the end of 2026.

Türkiye

A draft amendment included in an omnibus bill before Türkiye's Parliament was proposed in May 2026 to create a new annual financial contribution obligation on media services offering conditional access and on internet platform operators licensed under the Broadcasting Law (Law No. 6112), including licensed video and audio/music-streaming services, requiring a 2% contribution on annual revenue in Türkiye to the Ministry of Culture and Tourism's Cinema Support Fund, with the President authorized to adjust the rate between 1% and 4% and the Ministry empowered to request platform revenue data. Because the contribution is turnover-based and applies irrespective of profitability, it would fall disproportionately on foreign streaming audiovisual and music streaming services relative to domestic competitors, raising concerns as a discriminatory, sector-specific burden; This proposal has been removed from the omnibus bill in July 2026, and currently appears to be inapplicable to music streaming services, but the USTR should monitor this and any future similar initiatives moving through Parliament.

Mexico

As of 2026, there have been ongoing regulatory efforts to restructure Mexico's private copying regime. The private copy levy regulation is currently under consideration by the Ministries of Economy, Culture and Finance, the Digital Transformation Agency, and INDAUTOR. DIMA members are concerned that without the opportunity to comment there is a risk that this regulation could extend to digital streaming services. Extending the private copy levy to digital streaming services would amount to the form of a double payment for music content and would result in a trade barrier for digital music services.

<u>Subscription Renewal</u>

Mexico

In December 2025, Mexico published a Decree amending Article 76 Bis of the Federal Consumer Protection Law (LFPC) which went into effect on December 13, 2026. This decree

was intended to target opaque auto-renewal practices, but in practice imposes operational trade barriers by requiring streaming services to re-engineer their localized checkouts and customer service systems in order to avoid administrative sanctions and consumer claims. Additionally, this Decree went into effect the day after it was published in the Mexico's Official Journal of the Federation (DOF) raising concerns about Mexico's compliance with procedural fairness under Chapter 28 the USMCA.

Technical Barriers to Trade

Mexico

In 2026, there has been significant movement around the proposed amendment to NOM-184-SCFI-2018, a mandatory technical standard that has historically governed consumer-protection requirements for telecommunications services. The current draft of the amendment significantly expands the NOM's scope by incorporating digital platforms alongside telecommunications providers. It defines a digital platform broadly as an internet-based service that offers, provides, markets, or intermediates goods, services, applications, products, or content. It would also make the NOM mandatory for entities that directly or indirectly provide digital-platform services to consumers in Mexico.

Given this broad language, the proposal could potentially capture music-streaming services. This raises concerns because many of the draft's provisions were designed specifically for telecommunications operators and are not appropriate for digital content services. The proposal repeatedly combines telecommunications providers and digital platforms under the same regulatory framework, creating legal uncertainty and potentially imposing obligations that are technically or operationally inapplicable to streaming services.

Digital Services Taxes

Digital Services Taxes (DST) represent a significant trade barrier for DIMA members. USTR should continue to closely monitor already-enacted DST and DST proposals that discriminate against U.S. companies and burden U.S. commerce as detailed below. DIMA advocates for USTR to push for full repeals of DST and press for withdrawals of DST proposals that are discriminatory or disproportionately affect U.S. companies.

Austria

Austria imposes a 5% DST on revenue from online advertising services, applicable to companies with worldwide revenue exceeding €750 million and Austrian-sourced revenue exceeding €25 million. USTR's 2020 Section 301 investigation found the DST discriminatory in design and effect, concentrating liability on large U.S. firms while exempting Austrian competitors; unreasonable, for taxing gross revenue rather than income and applying extraterritorially without a permanent establishment; and burdensome to U.S. commerce through direct liability, compliance costs, and double taxation exposure. USTR should press Austria to repeal the DST and should maintain the option to reinstate Section 301 action.

Belgium

In 2025, Belgium's governing coalition proposed a 3% DST. In April 2026, the draft bill was accepted for consideration by the Chamber of Representatives (the lower house of the Belgian Parliament) and underwent committee reviews and expert testimonies through August and September 2026. The targeted date for this tax to take effect is January 1, 2027. This bill follows Belgium's 2019 proposal by applying this tax to companies with worldwide revenue above €750 million and local revenue above €5 million and would have the same scope as the European Commission's DST proposal, which would allow the revenue streams of advertising services, intermediation and marketplace services, and data transmission to be taxable. USTR has previously found comparable, already-enacted DSTs to be discriminatory against U.S. companies, and should raise these same concerns with Belgian authorities while the bill remains under consideration, making clear that enactment in its current form would warrant equivalent scrutiny.

Colombia

Colombia's implementation and proposed expansion of its digital services tax (DST) represent a significant trade barrier that disproportionately affects U.S. companies. Initially established as a 3% Significant Economic Presence (SEP) Tax in January 2024, the Colombian government then sought to increase this to 5% through a September 2025 tax reform bill. This measure directly violates the United States-Colombia Trade Promotion Agreement (USCTPA) through discriminatory treatment of U.S. providers and contradicts international tax norms. The tax structure effectively functions as a de facto tariff by increasing costs for imported digital services while favoring domestic providers. Most concerning is the reduced rate offered to companies establishing local presence, violating USCTPA Article 11.5's prohibition on local presence requirements. The proposed 5% rate would position Colombia's DST among the highest globally, creating substantial market access barriers and potentially violating multiple USCTPA provisions, including restrictions on digital products and services. As of 2026, Colombia continues to move forward and expand its taxation of the digital economy through its SEP framework and ongoing tax modernization efforts.

Czech Republic

The Czech Republic's amended Audiovisual Act, effective January 1, 2025, brought foreign on-demand audiovisual providers serving Czech viewers within the country's contribution regime for the first time, requiring payments of 3.5% of relevant Czech-market revenue to the State Audiovisual Fund or equivalent direct investment in local productions; qualifying investment can reduce the Fund payment to as low as 1%, and low-turnover or low-audience services are exempt. As of July 2026, the Fund reported active collection under the expanded regime and had opened noncompliance proceedings against four foreign providers. By conditioning market access on local financial contribution or investment, the regime imposes a disproportionate compliance and cost burden on U.S. suppliers relative to domestic operators.

France

France has imposed a 5% DST on revenue from services connecting users through a digital platform and the sale of advertising space and digital data. The threshold is for companies with worldwide revenue of €750 million and local revenue of €25 million. While attempts to raise the rate have faced legislative and international pushback, France continues to consider proposals to adjust its DST rate and revenue thresholds.

France imposes a 5.15% tax on paid audiovisual access services (TSV-P) and related advertising receipts through audiovisual access services (TSV-G) on providers serving French users regardless of establishment, funding the national audiovisual film fund, the CNC. A July 2026 parliamentary report recommends eliminating TSV-G's 66% tax rebate for user-generated-content services and potentially capturing live streaming, continuous short-video feeds, and algorithmic recommendation-based distribution—a change that would materially broaden the regime's reach over U.S. streaming and media platforms. These remain proposals, but USTR should monitor closely and press France to reject the expanded scope or, at minimum, secure clear exclusions for payments which are not direct audiovisual transactions and safeguards against duplicate taxation across the payment chain.

Italy

Italy maintains a 3% DST on revenue from advertising services, intermediation and marketplace services, and data transmission (i.e. the transfer of data collected from users and generated through the use of digital interfaces). The tax applies to companies with worldwide revenue of €750 million or more and creates market access barriers for U.S. companies, including music streaming services. USTR's Section 301 investigation found Italy's DST discriminates against U.S. companies and burdens U.S. commerce, and with collection ongoing and no indication Italy intends to repeal the measure, USTR should press Italy directly on its elimination.

Poland

On July 31, 2026, Poland's Ministry of Digital Affairs published draft legislation (UD385) proposing a 3% tax on Polish revenue from targeted online advertising, multisided digital interfaces, and paid transfers of user data, applicable to entities or groups exceeding €1 billion in worldwide revenue and PLN 25 million in Polish revenue, regardless of where the company is headquartered. Notably, the tax can be offset against Polish corporate income tax, qualifying R&D costs, and local capital expenditure, allowing suppliers with a substantial Polish presence to largely avoid the burden while requiring cross-border suppliers without comparable local investment pay in full. USTR should engage Poland on this discriminatory design and press for the proposal's withdrawal.

Türkiye

In 2020, Türkiye introduced a 7.5% DST through Law No. 7194 on revenues from digital advertising, online sales and streaming of audio/visual content, and social networking services, applicable to companies with global revenues exceeding €750 million and local revenues over TRY 20 million. USTR's 2020 Section 301 investigation found the DST unreasonable,

discriminatory, and burdensome to U.S. commerce, though no action was taken under this finding. Under Presidential Decision 10767, Türkiye reduced the tax rate to 5% as of January 1, 2026, with a further reduction to 2.5% scheduled for January 1, 2027. DIMA welcome this positive trend from Türkiye and encourages USTR to advocate for a full repeal.

Spain

Since 2021, Spain has imposed a 3% DST on revenue from online advertising, online intermediation and data transmission services attributable to users in Spain, applicable to businesses with worldwide revenue exceeding €750 million and domestic revenue exceeding €3 million. USTR previously determined under its Section 301 investigation into the DST that the tax was discriminatory and unreasonable and that U.S. companies represented the majority of covered firms. USTR should continue to press Spain for a full repeal of the DST.

United Kingdom

The UK maintains a 2% DST on revenue from social media platforms, internet search engines, and online marketplaces for companies with worldwide revenue of over £500 million and local revenue of over £25 million. The UK government has acknowledged that 90% of the tax is paid by five digital services companies, which are likely all American, as USTR has previously identified in its Section 301 report. Given USTR's existing discrimination finding and the tax's growing burden on U.S. services suppliers, USTR should consider resuming its suspended Section 301 action absent a clear UK commitment to repeal the tax in full.

##

Conclusion

DIMA appreciates consideration of the above issues and recommendations in preparation for the 2027 National Trade Estimate, and USTR's trade agenda. It is critical to defend U.S. business interests against discriminatory policies that target U.S. companies and threaten their ability to invest and innovate. DIMA thanks USTR and the Trade Policy Staff Committee for their ongoing work to identify foreign trade barriers and enforce U.S. trade agreements.

If you have any questions regarding DIMA's comments, please contact Alyssa Slaimen, DIMA's Vice President of Government and External Affairs, at alyssa@dima.org.