

# WTO members (finally) agree to continue practice of not collecting customs duties on electronic transmission until 2026, amidst increasing pressures to abolish it

**March 2024**

The 13th Ministerial Conference (MC13) concluded with the WTO members [agreeing to extend the moratorium on collecting customs duties on electronic transmissions](#) (e.g., file downloads, e-books, movie downloads) until 31 March 2026 or the next Ministerial Conference, whichever is earlier. A sigh of relief for many business operators that support the continuation of the practice. While authorities in many economies may feel frustrated that the proposal to remove the moratorium was not successful, once again. However, it is also clear there is an increasing momentum from ever more WTO members against the moratorium, which may well lead to its discontinuation after MC14.

The moratorium has been in place since 1998 and was periodically extended until MC13. Historically, the voting has been somewhat of a formality, with WTO members quickly agreeing to extend the moratorium. However, reaching agreement to extend it at MC12 was harder, and the recent discussions and voting at MC13 did not come easy. Strongly opposing views between WTO members required the voting time to be extended before agreement to maintain the moratorium for another two years was reached.

There has been increasing pressure from developing economies to abolish the moratorium. Such economies feel that their tax revenue is being reduced by the rise of e-commerce replacing physical trade that is subject to duties (e.g., CDs, books, magazines etc.). Mainstream media articles, academics and chambers of commerce published their opinion on the topic prior to the voting. Their opinions and conclusions vary from needing to abolish the practice not to levy duties immediately to panicking how detrimental it would be to development of the global south if the moratorium was removed.

**Our take:** In general, authorities in developing economies are concerned about the duty and tax collection lost from the reduction of physical trade. At the same time, developed economies cite that imposing customs duties on electronic transmissions will greatly hinder technological advancements, access to information, and ease of doing business. Economic reality probably lies somewhere in between these two extremes, but one thing is certain: the push to remove the moratorium will remain if not strengthened. It will be a talking point once again at MC14 in 2026.

Affected businesses should keep a close eye on developments leading up to and during 2026, as removal of the moratorium will likely significantly affect business strategy.

### Let's talk

If you would like further advice in relation to the topic above or a deeper discussion of how this issue might affect your business, please contact:

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