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Countries Must Stand Up Against Trump Bullying

June 30, 2025. President Donald Trump's abrupt termination of trade negotiations with Canada via a social media post is a blatant assault on Canada's sovereignty and democratic right to tax digital giants.

This move, abandoning established diplomatic protocols, serves one clear purpose: to shield wealthy tech giants from paying their fair share of taxes in Canada.

Canada's 3% digital services tax on tech company revenues from Canadian users represents a critical front in the global fight for tax justice. While ordinary citizens bear increasing economic burdens, multinational tech corporations have perfected strategies that allow them to pay minimal, next to zero, taxes despite generating billions in revenue from users worldwide.

By bullying Canada into abandoning its principled stance on digital services taxation, President Trump actively undermines the fundamental right of democratic governments to regulate and tax powerful corporations operating within their borders.

This is not just about Canada. President Trump's intervention represents a troubling escalation in the global struggle between democratic governance and unchecked corporate power. It’s one thing if the US chooses to be run by tech oligarchs. It’s another when it attempts to impose those views on others. It's an attack on the very principle that corporations have to fairly contribute to the societies, helping pay for the infrastructure and public services they profit from.

ICRICT condemns in the strongest possible terms President Trump’s disregard for multilateral cooperation and the tax sovereignty of allied nations and the unilateral breaking of international agreements.

We had urged the Canadian government to hold firm on their position on digital services taxes and to serve as an example for other countries. Canada should have vigorously defended its sovereign right to implement fair taxation policies, including ensuring tech giants pay their fair share of taxes. It’s surrender, following the earlier surrender of India, is setting a dangerous precedent.

The U.S. administration may be able to pick and win a fight against individual countries, but it cannot win against the world or a critical mass of countries. Nations worldwide should not be intimidated by President Trump's threats but rather unite in favor of cooperation and remain resolute in enforcing measures that ensure that digital multinationals pay their fair share.

We call on countries to strongly engage in the negotiations of the U.N. framework tax convention, which can provide a comprehensive solution to the taxation of multinationals, including digital ones.

However, until more comprehensive global solutions are developed to ensure a fair distribution of taxing rights among countries for the taxation of multinational enterprises operating globally, nations are fully entitled – and we actively encourage them - to implement unilateral measures to safeguard their tax bases, such as digital services tax. The greater the number of countries adopting such measures, the less the United States' capacity to retaliate.

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