

Jamaica is Taxing the Digital Economy, but Can It Govern It?

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What does it mean to tax a sector you do not yet govern?

On February 12, 2026, the Minister of Finance tabled a measure that deserves more attention than it has, up to now, received: Jamaica will begin applying General Consumption Tax (GCT) to digital services bought from abroad. The measure is fiscally sound and consistent with international practice. But it reveals a deeper policy problem: the institutional framework required to govern the digital economy remains underdeveloped, fragmented, and weakly enforced. The state is asserting jurisdiction for taxation purposes before building the governance capacity necessary to exercise that jurisdiction effectively.

The platforms this measure will reach—presumably Netflix, Spotify, cloud storage subscriptions, accounting software, apps, and more—will come within the reach of the Tax Administration of Jamaica (TAJ). What they will not come within reach of is any Jamaican governance framework. Jamaica, does not, at least not yet, require Netflix or any of the other services that might fall under this umbrella to tell a Jamaican regulator what it does with the data of every Jamaican who has ever used it. It does not regulate what platforms decide

about Jamaican consumers—what credit they can access, what news they read, what prices they are shown. The platforms will be taxed, but they will not be governed. That gap constitutes, by default, a policy position that is worth examining before this measure is written into the budget.

What exactly counts as a digital service has not yet been defined: Ministry Paper #17 is silent on the point.¹ Nine days before the measure was announced, the Lower House passed amendments to the Cybercrimes Act that made no mention of artificial intelligence. The Government's position was that the law is technologically neutral and that the National AI Task Force would address what the statute does not. All three instruments—the tax measure, the amended Cybercrimes Act, and the Task Force mandate—bear on the same digital economy, but they do not equate to a holistic governance framework.²

What the Measure Does – and What It Does Not

More than a hundred countries tax cross-border digital consumption under the destination principle: tax is paid where a service is consumed, not where the company selling it is incorporated.

For years, a Jamaican company selling digital services has paid GCT on its inputs, labour, and office space while its foreign competitor, selling identical services from a server in another country, has paid nothing. The new measure addresses that imbalance. How exactly—whether through direct registration, withholding by financial institutions, or some other mechanism—has not yet been specified. It also does not say what will be done about the governance gap: the revenue that will flow in to TAJ carries no corresponding obligation on providers to account for how they handle Jamaican data, how long they retain it, who they share it with, or what they use it for. At J\$4.2 billion annually at full implementation, the revenue case is straightforward. But can the measure be designed to do more?

The Gap the Measure Reveals

The governance gap is not theoretical; it has three concrete dimensions, each of which points to the same underlying problem: the institutions responsible for governing Jamaica's digital economy are not currently equipped to do so.

The first concerns data protection. Jamaica's Data Protection Act (2020), modelled on the General Data Protection Regulation, and in force since 2023, gives the Office of the Information Commissioner (OIC) the authority to regulate how personal data is handled, including by foreign companies processing the data of Jamaican users.³ In practice, the OIC has issued no fines, initiated no formal investigations, and imposed no enforcement notices on any entity since the Act came into force. As of this writing, the OIC's own registration portal, through which data controllers are legally required to register, has been suspended since December 2025, pending technical upgrades that have not yet been completed.⁴ As is too often the case in Jamaica, the law exists, but enforcement does not.

The second dimension is a matter of sequencing. On February 19, 2026, one week after Ministry Paper #17 was tabled, a reconstituted National AI Task Force was given two deliverables: a draft national AI policy within six to nine months, and a draft legislative framework within twelve. The Task Force is the mechanism Jamaica has designated to develop its AI governance strategy. Its timeline matters because the GCT measure takes effect first and it cannot be implemented without a

definition of what constitutes a digital service, a definition that Ministry Paper #17 does not provide. The platforms about to come within TAJ's reach are not simply content delivery services: many of them use algorithmic systems to determine what Jamaican consumers see, what song comes next in the queue, what credit they can access and what prices they are shown. The GCT measure creates a formal jurisdictional relationship with those platforms and in the absence of a formal AI governance framework, that relationship extends only to revenue collection.

The minister responsible for science and technology described AI as "core national infrastructure" that must be governed to protect Jamaicans' rights. He may be right, but the current sequencing means that by the time the framework is even conceptualised, let alone implemented, the tax will already be operational and the moment of first formal contact with these platforms—when governance conditions are easiest to attach—will have passed. In the interim, the platforms will continue to make consequential decisions about Jamaican consumers without falling under any operative Jamaican governance framework.⁵

The third issue concerns enforcement. What happens if a platform declines to comply? Jamaica is not the European Union. It cannot threaten meaningful market exclusion, and TAJ has limited practical leverage against a non-compliant Amazon or Meta. A coordinated CARICOM bloc would carry more weight—a single digital market of 15 member states is harder to ignore than any one of them acting alone—but no such coordination currently exists. Jamaica's measure is globally standard and fiscally necessary, but it arrives into a geopolitical environment that makes that isolation consequential: in February 2025, the Trump administration signed a presidential memorandum directing the United States Trade Representative to investigate digital services taxes globally and consider retaliatory measures, and several countries have already moved to restructure their regimes in response.^{6,7} The platforms this measure is taxing have powerful friends in powerful places, and Jamaica, for now, is negotiating alone.

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Hurricane Melissa as Governance Argument

There is one more reason to take this seriously, and she arrived last year at approximately 190 miles per hour.

When Hurricane Melissa made landfall on October 28, 2025, Jamaica's telecommunications infrastructure failed within hours. ATMs stopped working across western Jamaica. In response, the Government deployed over 600 Starlink satellite units to defence, police, hospitals, and emergency agencies.⁸ The ATMs that allowed people to buy food and fuel were brought back online through a satellite network operated locally by a Jamaican registered subsidiary, but owned, controlled, and governed—in any data or operational sense that matters—by a foreign parent company answerable to no Jamaican regulatory authority. Starlink was granted a licence to offer internet services in Jamaica in 2022.⁹ The Spectrum Management Authority governs the technical conditions of that licence. No local authority governs what happens to the data.¹⁰ As of late 2025, between 40,000 and 50,000 Jamaicans are still using that service daily. A cybersecurity consultant to the Minister described it as a new dispensation, rather than a temporary measure.¹¹

Melissa demonstrated that digital infrastructure is essential public infrastructure, not a convenience. That alone justifies taxing it, and on the same logic, it justifies governing it. A service that keeps ATMs

running during a disaster and that tens of thousands of Jamaicans are still relying on months later is not operating at the edge of public concern. The case for bringing it within a governance framework is the same case that has always applied to essential infrastructure: the public interest does not stop at the technical conditions of a licence.

The Regional Dimension

Jamaica is not the only Caribbean government to have moved on digital services taxation, but it is the first to do so in the context of post-disaster reconstruction, and that context changes what the measure can mean.

Barbados already applies VAT to cross border digital services, and Trinidad and Tobago has its own digital economy ambitions. Across the region, governments are arriving, at different speeds and by different routes, at the same realisation: the digital economy is here, it is central, and it is currently governed, to the extent it is governed at all, by the countries and companies that built it.¹²

The numbers favour the platforms, not the countries that make up the region. A major platform negotiating with Jamaica negotiates with a market of 2.8 million people and will do the same with every other CARICOM member separately. The African Tax Administration Forum understood this logic and built a coordinated regional position in international tax forums; the Caribbean has not yet done the equivalent.¹³ The Caribbean's

relationship with ambitious regional unity projects is, of course, well established. CARICOM has, for the better part of a decade, aspired to a single regional ICT space, but that aspiration remains substantially unimplemented. The Caribbean Telecommunications Union has called explicitly for harmonised regional frameworks, driven by a concern its ministers have raised directly: that the Caribbean's relationship with global digital platforms risks being extractive rather than reciprocal. Implemented in isolation, Jamaica's GCT measure does nothing to change that.¹⁴

There is a version of this story in which Jamaica uses this moment differently, in which the framework it builds, the compliance mechanisms it designs, and the governance conditions it attaches to digital service taxation become the template that CARICOM adopts and scales. That version requires Jamaica to think of this measure as an opening position, and not only as a revenue line. The difference between those two framings is the difference between collecting a tax and building leverage. The J\$300 million that the measure is projected to yield in FY2026/2027, undersells what is actually on the table.

What a Governance-Ready Digital Tax Could Look Like

None of the following three proposals requires new legislation.

The government could require providers to file a basic data processing disclosure with the OIC – what data they collect, how long they keep it, who they share it with. No new law, no new institution: the office on Barbados Avenue gets its first real list of who is operating in the Jamaican digital market. Every serious data governance regime starts with a list.

A defined percentage of the revenue this measure generates could be earmarked for the institutions responsible for governing what it taxes. The OIC has never issued a fine, presumably because it does not yet have the operational capacity to do so. The reconstituted AI Task Force has a 12-month deadline to produce a legislative framework and no publicly announced implementation budget with which to do so. At J\$4.2 billion annually at full implementation, a 5 percent earmark generates J\$210 million for digital governance capacity. Collecting the revenue while leaving

those institutions unfunded, is the equivalent of installing a security camera with no one watching the feed.

Jamaica could use this moment to propose a minimum standard for digital service provider registration conditions across CARICOM: common data disclosure requirements, shared incident reporting obligations, coordinated compliance mechanisms. Jamaica has the choice to arrive at the next CARICOM table with a revenue measure or with a governance proposal, or both.

Conclusion

The GCT measure is overdue and fiscally necessary, and it is the kind of decision a serious government makes when it is paying attention to where the world is going. Minister Williams deserves credit for tabling it.

A government that can require Netflix to collect GCT on Jamaican subscriptions while remaining unable to require Netflix to tell a Jamaican regulator what it does with Jamaican data has only made a start, however. The budget presentation will be the next data point. A governance framework, a funded enforcement mechanism, a regional coordination proposal... any of these would signal that the measure has been understood as an opening position rather than a final destination. Their absence would signal that it has not.

The digital economy is the phone in your pocket, the subscription you forgot you were paying for, and the algorithm that decided, sometime last Tuesday, what kind of Jamaican you are. It is generating value, extracting data, and making decisions, about you, for you, without you, at a scale and a speed that no tax measure, however well-designed, can alone address. Jamaica can tax it. The question is whether Jamaica intends to govern it.



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