



VAT in the Digital Age (ViDA)

Single VAT Registration in EU

14.03.2023, VEG

Background and problems addressed

- VAT e-commerce package – 1 July 2021
 - Success of the reform recognised by stakeholders and by the Council
 - ✓ Objectives of fair taxation and simplification achieved

Evaluation highlighted **the need for quick fixes and improvements of the current functioning of the schemes**

- Increasing scale of e-commerce and cross-border transactions
 - High burdens and VAT compliance costs of doing business abroad

Need to further reduce the need to register in multiple Member States

Quick fixes and improvements of the current VAT e-commerce rules

Quick fixes and improvements of the current schemes (1)

- Improvements to the legislation:
 - ✓ Clarification on the calculation of the € 10.000 threshold
 - ✓ Clarification in the definition of the scope of the non-union scheme (also applies to services provided to non-established customers)
 - ✓ Clarification on the timing of the chargeable event for supplies under the Union and the non-Union schemes
 - ✓ Update of the references to the appropriate refund procedures in the Union and Import schemes

- Improvements to the processes:
 - ✓ Improvement to the correction mechanism
 - ✓ Use of the Standard Audit File (SAF) OSS for records by platforms under Art 242a

Quick fixes and improvements of the current schemes (2)

- Build a more robust and fraud proof system:
 - ✓ Access to IOSS registration data for customs authorities
 - ✓ List of underlying suppliers added to the records provided by platforms
 - ✓ IOSS monthly listing by MS of final destination of the goods
 - ✓ IOSS additional information to be provided prior to importation

- Align to new legislation and schemes:
 - ✓ Linked to the new SME scheme and exemptions under diplomatic/consular arrangements and to the new rules on VAT rates:
 - ⇒ Allow the declaration of exempted and zero rated supplies in the Union OSS

Further reduce the need for
multiple VAT registrations

Further reduce the need for multiple VAT registrations (1)

➤ B2C transactions:

✓ **Extension of OSS to B2C domestic supplies of goods:**

➤ Includes: Supplies after installation and assembly; Supplies of goods made on board means of transport; Supplies of gas, electricity, heat or cooling energy; Supplies of goods on a weekly market, when participating in an exhibition....

✓ **Extension of OSS to sales of goods under the margin scheme** following the change of place of supply (application of the destination principle)

➤ B2B transactions:

✓ **Domestic B2B supplies: Mandatory application by Member States of the reverse charge mechanism** in situations where a supplier is not established for VAT purposes in the Member State in which VAT is due

Further reduce the need for multiple VAT registrations (2)

➤ Transfer of own goods:

✓ **Extension of the deemed supplier provision:**

⇒ Platforms = deemed supplier when transferring goods from one stock to another and when facilitating B2B supplies of goods in the EU and all intra-EU distance sales of goods by EU established traders

✓ **New OSS transfer module** for the declaration of these transfers by all traders transferring their own goods within the EU

⇒ Exclusion of transfers of capital goods and goods without full right of deduction

➤ Mandatory IOSS :

✓ **IOSS mandatory for electronic interfaces**, such as marketplaces and platforms, when they facilitate certain imports of goods to consumers in the Union

⇒ Registration and exclusion data and processes reviewed

Thank you



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