



WCO Knowledge Academy

Session: Update on e-commerce

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Topics



Overview

Previous 22 € VAT exemption was abolished

- All commercial goods imported to the EU are now subject to VAT

VAT Collection Simplifications for B-C consignments up to 150€

- Import One Stop Shop (IOSS)
- Special Arrangements

Impact on Customs Procedures

- Electronic customs declaration mandatory, Super-reduced data set

Import One-Stop Shop (IOSS)

The IOSS is an **optional scheme** that allows sellers to **collect, declare and pay the VAT** to the tax authorities of one Member State, **instead of making the buyer pay the VAT** at the moment the goods are imported into the EU.

Vendor
collection model

Which sales does the IOSS cover?

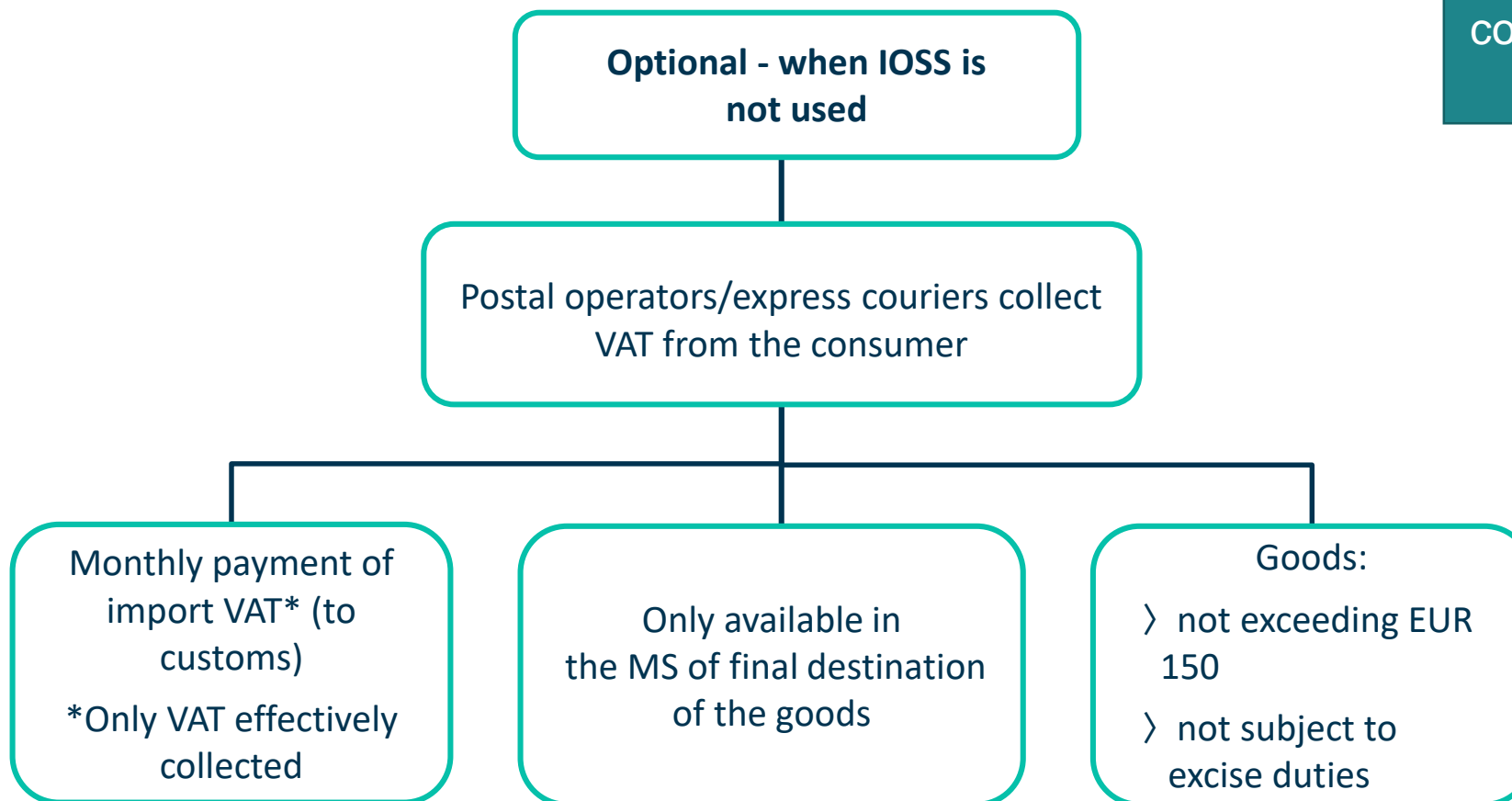


How to register for the IOSS?

- › Each EU Member State has an online IOSS portal where businesses can register.
- › If the business is not based in the EU, it will need to appoint an EU-established intermediary to fulfil its VAT obligations under IOSS.

Special Arrangements

Intermediate
collection model



Crucial role for the platforms:

Deemed supplier:

distance sales of goods not exceeding €150,
imported from 3rd countries

Platform / Market place / Portal shall be
deemed to have received and **supplied**
those goods himself.

So a taxable person, which means **liable** for
the VAT

Communication between Tax Authorities,
Customs and the Platforms becomes more
and more important

Results from the first year of implementation

- IOSS was used in ca 90% of cases of low value consignments (< €150)
- A number of MS implemented a new import declaration system for e-commerce goods, due to the enormous number of declarations
- In the vast majority of the imports the platforms are involved in the transaction
- Increase of returned goods to the non-EU seller
- Increase of drop shipments and fulfilment
- Misuse of IOSS number might occur
- Double taxation cases due to incorrect (or none) communication of IOSS numbers

Remaining challenges

- Increase the level playing field among the MS (e.g. P&R, excise)
- Collect multiple source data and connect them
- Increase the possibilities for Customs (at import) and the Tax authorities (after import) to check the use of IOSS
- To optimize the import / export process: the Commission will provide guidance documents for the MS and business, e.g. on returns and on the most common e-commerce business models.

Very important: increase the cooperation between platforms and customs to optimize the import process and the supervision

The way forward on E-commerce in the EU



Revision of the
legislation

Revision of the
supervision

Revision of the
role of
platforms

Thank you



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