



ALL YOU NEED TO KNOW ABOUT THE **NEW VAT** **E-COMMERCE RULES**

Information for Postal Operators and Couriers

» What is changing from 1 July 2021?

New VAT rules are coming in July 2021 for distance sales of goods from inside and outside the EU. From 1 July 2021 the value added tax (VAT) exemption for the importation of goods not exceeding EUR 22 will be removed.

As a result, all goods imported to the EU will be subject to VAT. For imported goods with a value not exceeding EUR 150, two simplified VAT collection mechanisms are available:

1. One for the online sellers and online marketplaces / platforms that can collect directly the VAT from the buyer and report and pay this VAT in the new online system Import One Stop Shop (IOSS)¹;
2. One for the postal operators and couriers for declaration and payment of import VAT (special arrangements), in case the sellers or the marketplaces/platforms did not choose to register in the IOSS.

¹ Further information on the IOSS can be found on our website <https://ec.europa.eu/vat-e-commerce>

Nothing changes for the collection of customs duties and VAT on imported goods valued at more than EUR 150.

As key players in the transport and distribution of goods you are in the frontline for declaring the goods to customs. Get informed and advise your customers on how to adapt to the new process.

**ADAPT YOUR
PROCESSES
AND PROCEDURES
TO THE NEW VAT RULES**



› What do Postal Operators and Couriers need to do?

When registering to the IOSS, online sellers or online marketplaces/platforms receive an IOSS VAT number. This IOSS VAT number is used by postal operators and courier services to declare goods upon importation to the customs authorities. They can do so in any Member State regardless of the destination of the goods. Customs authorities verify the validity of the IOSS VAT number and then the package can be delivered to the customer. Nothing simpler than that!

If online sellers or online marketplaces/platforms do not register for IOSS, VAT needs to be collected before goods can be delivered to the customer. In this situation, goods can only be customs cleared in the Member State where goods will be delivered to the customer. The collection of VAT may be done:

- › using the special arrangements: postal operators and couriers will collect the VAT from the customer and will pay it to the competent authorities on a monthly basis. This simplification offers a cashflow advantage to postal operators and couriers to compensate for the additional administrative tasks relating to the collection of VAT;
- › using the standard customs procedures: customer will pay the VAT to postal operators or couriers or directly to the competent authorities.

› And what about intra-EU distance sales?

Rules on intra-EU distance sales of goods are getting simpler for online businesses and online marketplaces/platforms leading to reduction of administrative burden and creating the premises for increased e-commerce within the EU. Since there are no borders within the EU, postal operators and couriers can benefit of the EU Digital Single Market.

› Benefits to Postal and Courier Operators

- › greater ownership: As key players in the transport and distribution of goods you are in the frontline for declaring goods to customs;
- › faster process: The new rules including the move to transmission of electronic data seek to ultimately simplify the procedures and ensure speedier customs clearance so you can deliver faster the goods to your customers.

› Glossary

The distance sales of goods imported from third countries or third territories refers to the supplies of goods dispatched or transported by or on behalf of the supplier, including when the supplier intervenes indirectly in the transport or dispatch of the goods, to a customer in a Member State.

Intra-EU distance sales of goods means goods (which are already in free circulation in the EU) located in one

Member State that are sold and sent by or on behalf of the supplier/seller to a customer in another Member State.

The EU Member States are Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.

- › More information <https://ec.europa.eu/vat-ecommerce>



