



VAT changes 2021:  
Cross-border e-commerce

June 2021

As of 1 July 2021, the new EU VAT legislation regarding e-commerce will enter into force. Member States are required to implement the new rules into national law before 30 June 2021.

Companies should be aware of the impact of this new legislation on their business. Action is required in order to assess implications and take necessary steps to be compliant under the new rules.

 **Relevant for: all businesses involved in B2C e-commerce in Europe**



### Distance sales within EU

- The national thresholds for B2C distance sales will be abolished.
- Indirect transport agreements will also be covered under the distance sales regime.

⇒ Via the **One Stop Shop (OSS)**, VAT due on EU distance sales can be reported through a single return.



### Distance sales from non-EU

- The small consignment exemption for goods imported from a third country will be abolished.
- VAT on distance sales of goods from third countries becomes due in the EU country of destination, independent of which party arranges the import.

⇒ Via the **Import One Stop Shop (IOSS)**, VAT due on non-EU distance sales can be reported through a single return and the import is exempted from VAT. The IOSS is only applicable for goods in a consignment with a value of  $\leq \text{€ } 150$ .  
⇒ Special arrangement for postal/courier companies



### Electronic interfaces

Platforms facilitating the following supplies will be liable for VAT on those supplies:

- Distance sales of goods from non-EU in consignments with a value  $\leq \text{€ } 150$
- B2C supplies of goods within the EU by a non-EU supplier

⇒ Platforms need to register for VAT purposes (registration for OSS & IOSS possible)

### 1 Identification

Identify the transactions in your business that are impacted by the 2021 E-commerce rules.



### 3 Analyzing the supply chain

Analyze the supply chain and assess whether adjustments and/or optimization are desired based on the findings of step 1 and 2.



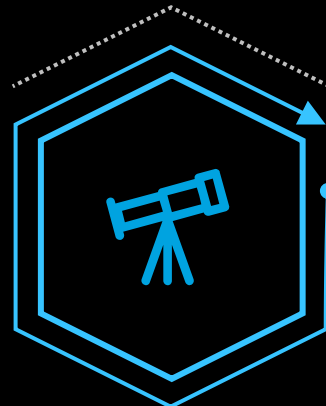
### 5 Registration and implementation

Prepare for the (possible) registration for the OSS or IOSS and implement the new VAT legislation in the ERP-system and procedures.



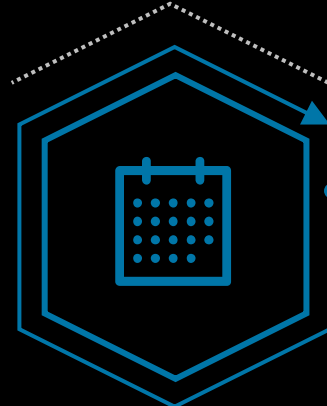
Assess the correct VAT treatment of the transactions and the preferred VAT reporting mechanism as of 1 July 2021.

### 2 Assessment



Prepare an action plan based on the findings.

### 4 Decision making process





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