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**FINANCE**



# VAT E-COMMERCE PACKAGE

## DIGITAL CUSTOMS MANAGEMENT SYSTEM & VAT

EU CROSS-BORDER E-COMMERCE CONGRES  
01/12/2021



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# THE VAT E-COMMERCE PACKAGE : GOALS

- Create a level playing field for EU and non-EU businesses
- Simplify VAT obligations for businesses engaged in cross-border e-commerce
- Deepen the EU single market



# MAIN CHANGES SINCE 1<sup>ST</sup> JULY 2021

- Extension of the Mini One Stop Shop (MOSS) to a bigger One Stop Shop (OSS)
- Abolishment of the existing threshold for intra-community distance sales of goods – new EUR 10.000 EU-wide threshold
- Deemed supplier provision
- Removal of the VAT exemption at importation of small consignments up to EUR 22





# MAIN CHANGES SINCE 1<sup>ST</sup> JULY 2021

- Creation of a new special scheme for distance sales of goods of an intrinsic value not exceeding EUR 150 imported from 3<sup>rd</sup> countries/territories – Import One Stop Shop (IOSS)
- Simplification measures for distance sales of imported goods in consignments not exceeding EUR 150 in case IOSS is not used – Special Arrangements
- New record-keeping requirements for businesses facilitating supplies of goods and services through use of an electronic interface



# TRANSACTIONS COVERED BY THESE CHANGES

1. Distance sales of goods imported from third territories or third countries carried out by suppliers and deemed suppliers (defined in the second subparagraph of Article 14(4) of the VAT Directive), except for goods subject to excise duties;
2. Intra-Community distance sales of goods carried out by suppliers or deemed suppliers (defined in the first subparagraph of Article 14(4) of the VAT Directive);



# TRANSACTIONS COVERED BY THESE CHANGES

3. Domestic sales of goods by deemed suppliers (see Article 14a(2) of the VAT Directive);
4. Supplies of services by taxable persons not established within the EU or by taxable persons established within the EU but not in the Member State of consumption to non-taxable persons (final consumers).

→ **For B2C (business-to-consumer) supplies**



## SINCE 1 JULY 2021

- All commercial goods imported into the EU from a third country or third territory are subject to VAT irrespective of their value
- Customs duty relief for goods with an intrinsic value not exceeding EUR 150 imported into the EU remains in place (except for alcoholic products, perfumes, toilet waters, tobacco and tobacco products)
- Use of H7 for the customs declaration of low value consignments



## SINCE OF 1 JULY 2021

- Art 221 4) ACC IA - The competent customs office for declaring for release for free circulation goods in a consignment which benefits from a relief from import duty in accordance with Article 23(1) or Article 25(1) of Council Regulation(EC) No 1186/2009 (\*), under a VAT scheme other than the special scheme for distance sales of goods imported from third territories or third countries set out in Title XII Chapter 6 Section 4 of Council Directive 2006/112/EC (\*\*), shall be a customs office situated in the Member State where the dispatch or the transport of the goods ends.





## 3 POSSIBLE SCENARIO'S

- IOSS
- No IOSS, but the customs representative uses the special arrangements
- Standard declaration



# IOSS

IOSS = Import One Stop Shop

Marketplace or seller is registered for IOSS VAT in 1 of 27 MS EU.

VAT is collected on each sale on the platform/website (according to the applicable rate in the MS where the final consumer is located).

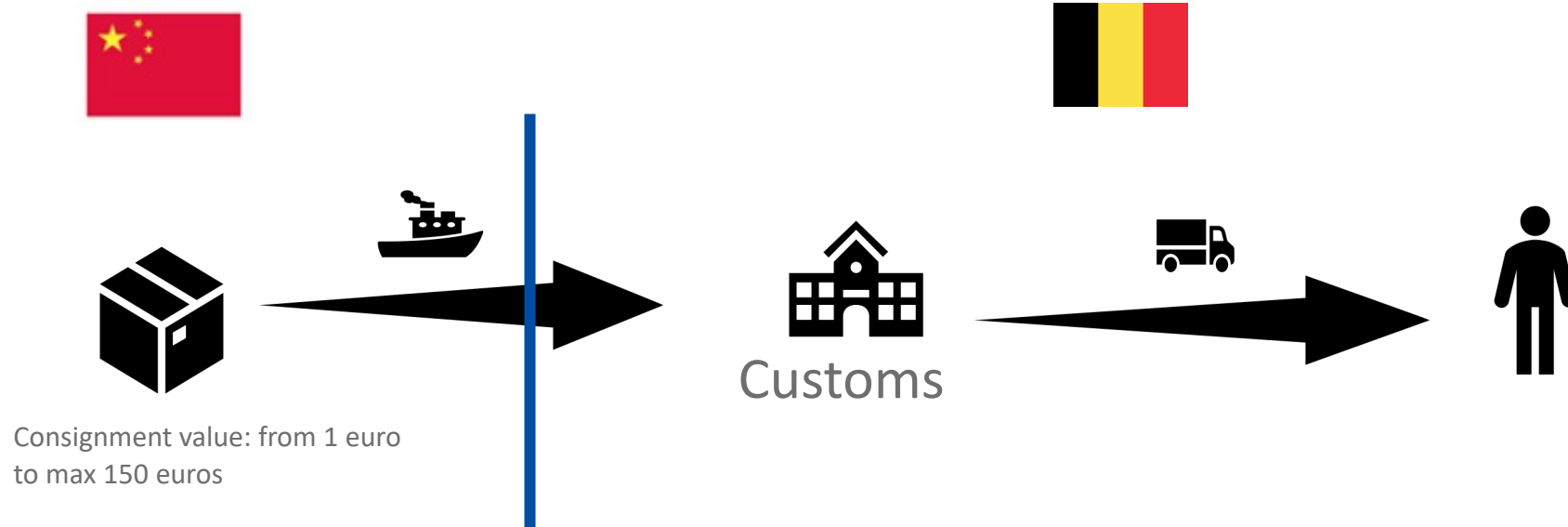
⇒ consequently, the importation is exempt from VAT.

For sales up to **150** euro.

⇒ may **not** be applied to products subject to excise duty



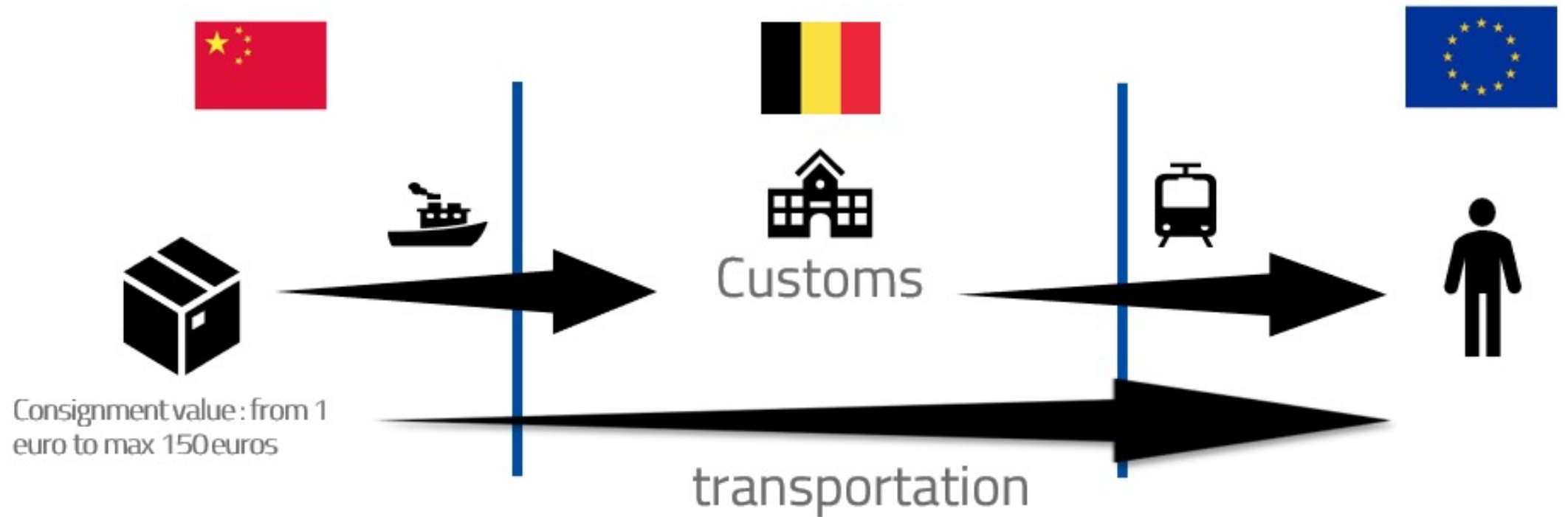
# CUSTOMS DECLARATION WHEN IOSS IS APPLIED



MS of importation = MS of consumption



# CUSTOMS DECLARATION WHEN IOSS IS APPLIED



MS of importation  $\neq$  MS of consumption





# IOSS – CUSTOMS DECLARATION

- Declaration in principle with dataset H7 (but could, in theory, also be done via a standard or simplified declaration)
- Declaration must mention a valid I-OSS number
- **Importer (data-element 13 04 000 000):** must be the private consignee
- Through direct or indirect representation (power of representation required)
- **Additional fiscal references - Seller I-OSS (data-element 13 16 000 000):**
  - 13 16 031 000 (role) : FR5
  - 13 16 034 000 (VAT ID-number) : I-OSS-number

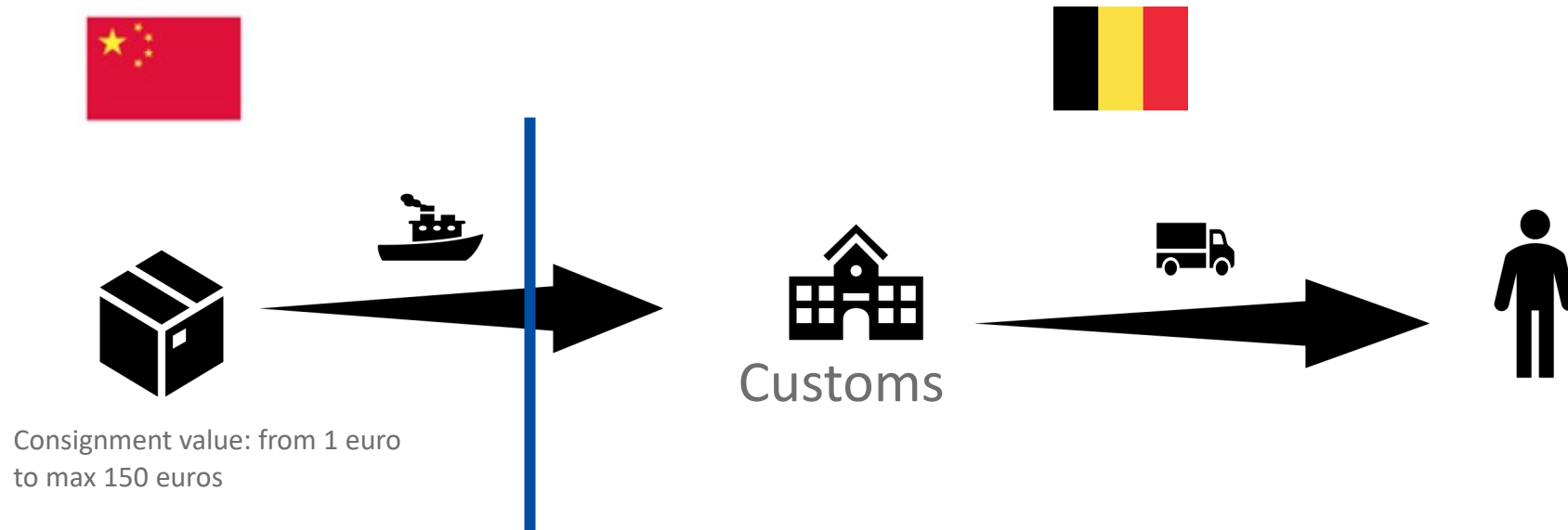


# SPECIAL ARRANGEMENTS

- Simplification scheme that applies to extra-Community distance selling eligible for the IOSS scheme, where no use is made of IOSS.
- This is an optional scheme for customs declarants like postal and express operators (deferred payment of VAT).
- It only applies to goods imported and delivered in the same Member State => it can only apply in Belgium for consignments destined to customers in Belgium.
- The principle is that the VAT on the import of the goods in question must be paid by the consumer, who is legally liable to pay it.



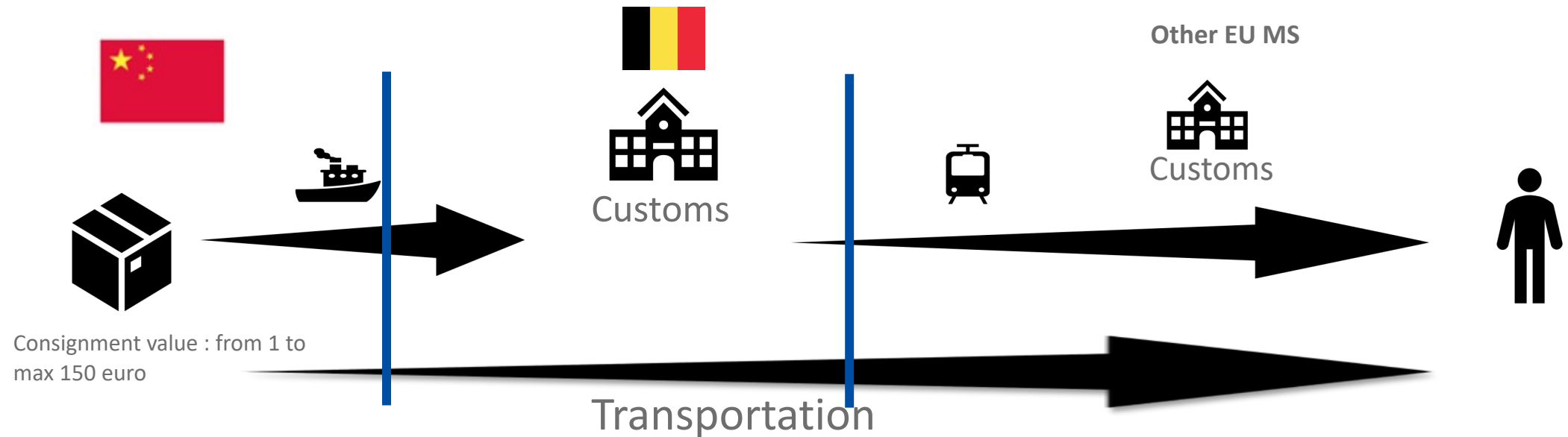
# CUSTOMS DECLARATION FOR SPECIAL ARRANGEMENTS



MS of importation = MS of consumption



# CUSTOMS DECLARATION FOR SPECIAL ARRANGEMENTS



MS of importation  $\neq$  MS of consumption

Application of art. 221(4) UCC IA – Mandatory transit to MS of consumption





# SPECIAL ARRANGEMENTS – CUSTOMS DECLARATION

- Declaration in principle with dataset H7 (but could, in theory, also be done via a standard or simplified declaration)
- **Importer (data-element 13 04 000 000):** must be the private consignee
- Declarant (data-element 13 05 000 000): postal operator or express courier through indirect representation
- Mention of the authorised declarant (data-element 12 03 000 000 - certificates and authorisations): authorisation for the use of the special arrangements



# CUSTOMS DECLARATION – DATASET H7

- Limited dataset
- Specifically for consignments with a value of no more than 150 euro
- BE: part of IDMS (import declaration management system)
  - 1<sup>st</sup> dataset = H7
  - Fully operational end of 2022 (datasets H1 to H7 + I1 and I2)
- May not be used for the following goods:
  - Products subject to excise duty
  - Goods subject to prohibitions and restrictions

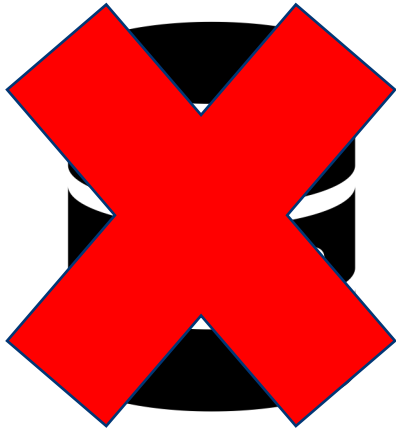
Website EU:

<https://svn.taxud.gefeg.com/svn/Documentation/EUCDM/EN/index.htm>



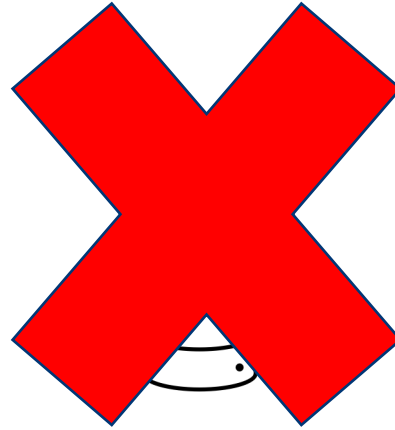
# IMPORT DECLARATION MANAGEMENT SYSTEM

2007



**PLDA**

2019

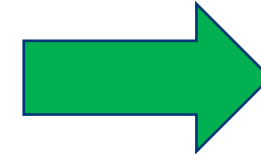


**BE-Gate**

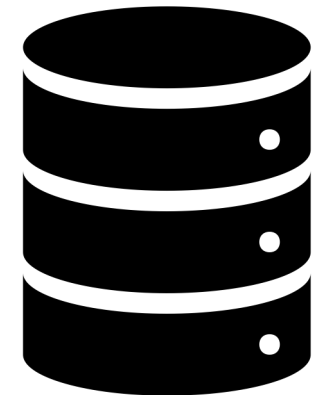
1/7/2021



**IDMS-H7**



As of 1/1/2023



**IDMS**

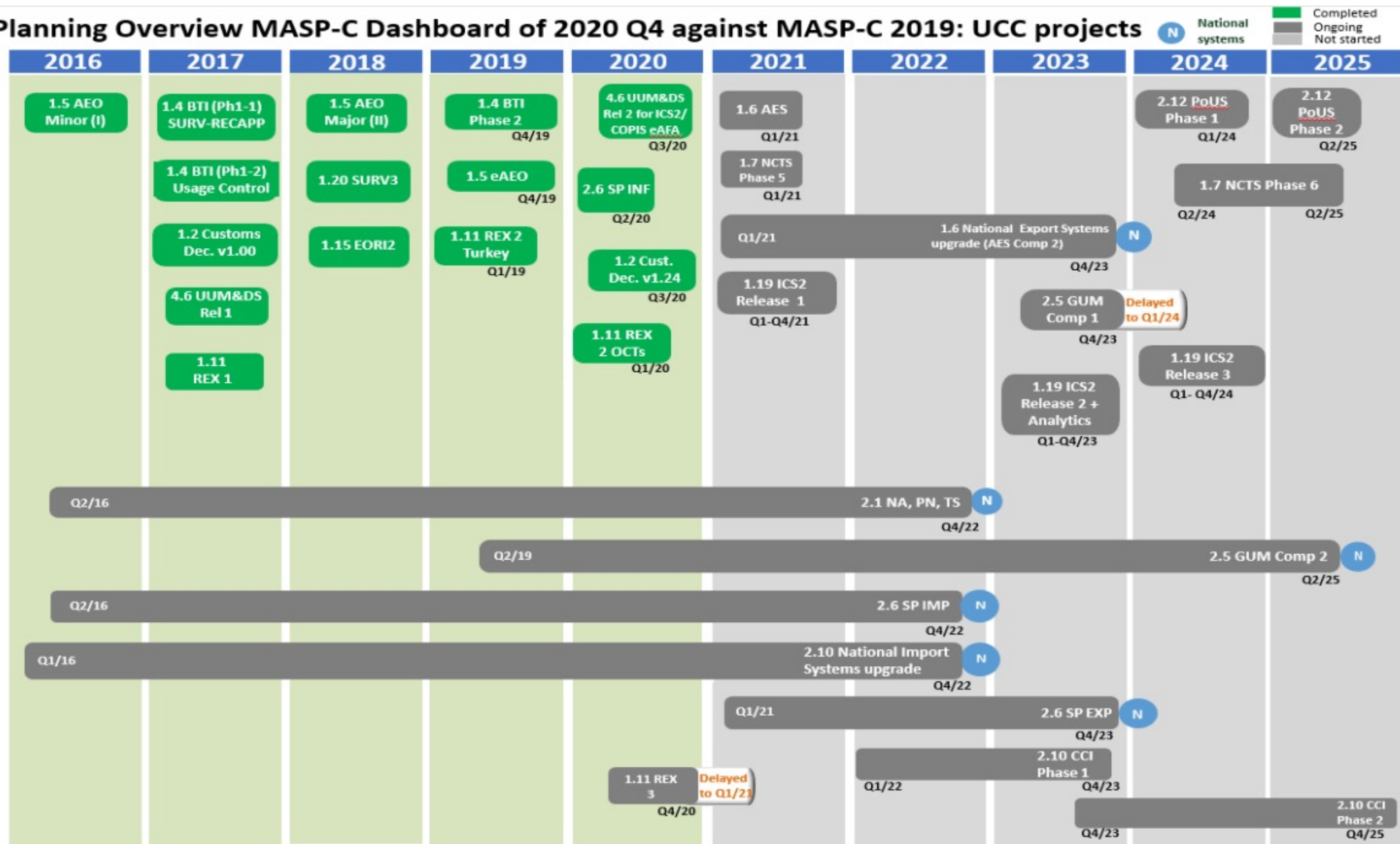
For all import  
datasets

# MULTI-ANNUAL STRATEGIC PLAN FOR ELECTRONIC CUSTOMS



Federale  
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## Planning Overview MASP-C Dashboard of 2020 Q4 against MASP-C 2019: UCC projects







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# E-COMMERCE - EVOLUTION





## INTERESTING LINKS

- EU website on e-commerce  
[https://ec.europa.eu/taxation\\_customs/business/vat/vat-e-commerce\\_en](https://ec.europa.eu/taxation_customs/business/vat/vat-e-commerce_en)
- BE website for the technical documentation for IDMS-H7 and IDMS “All” and all other new applications  
[https://finances.belgium.be/fr/douanes\\_accises/entreprises/applications-da/documentation-technique](https://finances.belgium.be/fr/douanes_accises/entreprises/applications-da/documentation-technique)



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