



SEGUNDO EJERCICIO

PARTE B

INGLÉS

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NEW VAT E-COMMERCE RULES

What is changing from 1 July 2021?

Cross-border value added tax (VAT) applicable to e-commerce is being modernised in the EU. The new EU VAT e-commerce rules are fit for a Digital Single Market: fairer, simpler and more fraud-proof.

As an EU consumer, you don't have to do anything directly and there is no need to change your shopping habits or where you buy from. However, it's worth knowing that from 1 July 2021 VAT exemption for the importation of goods with a value not exceeding EUR 22 will be removed. As a result, all goods imported to the EU will be subject to VAT. This ensures that goods imported from outside the EU no longer have a preferential VAT treatment compared to goods purchased from within the EU.

Therefore, from July 2021, the new rules will:

- ensure that VAT is paid where consumption of goods and services takes place;
- re-establish a fair competition between European and foreign e-commerce market players, as well as between e-commerce and traditional shops, which is even more important in the context of the COVID-19 crisis;
- offer businesses a simple and uniform system to declare and pay their VAT obligations from cross-border transactions to buyers in the EU via two new online systems: the VAT One Stop Shop (OSS) or Import One Stop Shop (IOSS).



Purpose of the new VAT e-commerce rules

The boom in e-commerce brought on by technological developments has changed the way we trade, do business and shop. This trend has grown even more in response to COVID-19 and the lockdowns around Europe - and will continue to grow in the future.

Current exemption is detrimental to EU business that are always liable to charge VAT. Imported goods are thus unfairly competing with EU goods. The abuse of the import exemption leads to further unfair competition.

Now VAT rules need to catch up, so that everyone benefits from fairer taxation and a simpler process to declare and pay VAT.

EU citizens will see public revenues increase by EUR 7 billion annually – greater process transparency will contribute to increased VAT payments and less VAT fraud.

Benefits to you, the consumer

As an online shopper in Europe, you don't have to do anything specific to adhere to the new VAT rules. They have been designed to ensure fair taxation and to ensure simpler and more consistent VAT rules for everyone affected.

What's more, from 1 July 2021, for goods with a value not exceeding EUR 150 you purchase from outside the EU, these changes will mean no extra charges at customs, if your seller registers within the new VAT system and uses the Import One Stop Shop (IOSS). You will be sure of the final price you pay online with no surprise taxes upon delivery – whether they come from inside or outside the EU. If the supplier does not register in the IOSS, you will need to pay the VAT and possibly some clearance fees charged by the transporter of the goods when goods are imported in the EU.