

# Selling into Europe VAT changes

What you need to know...

June 2021

Delivering for you.

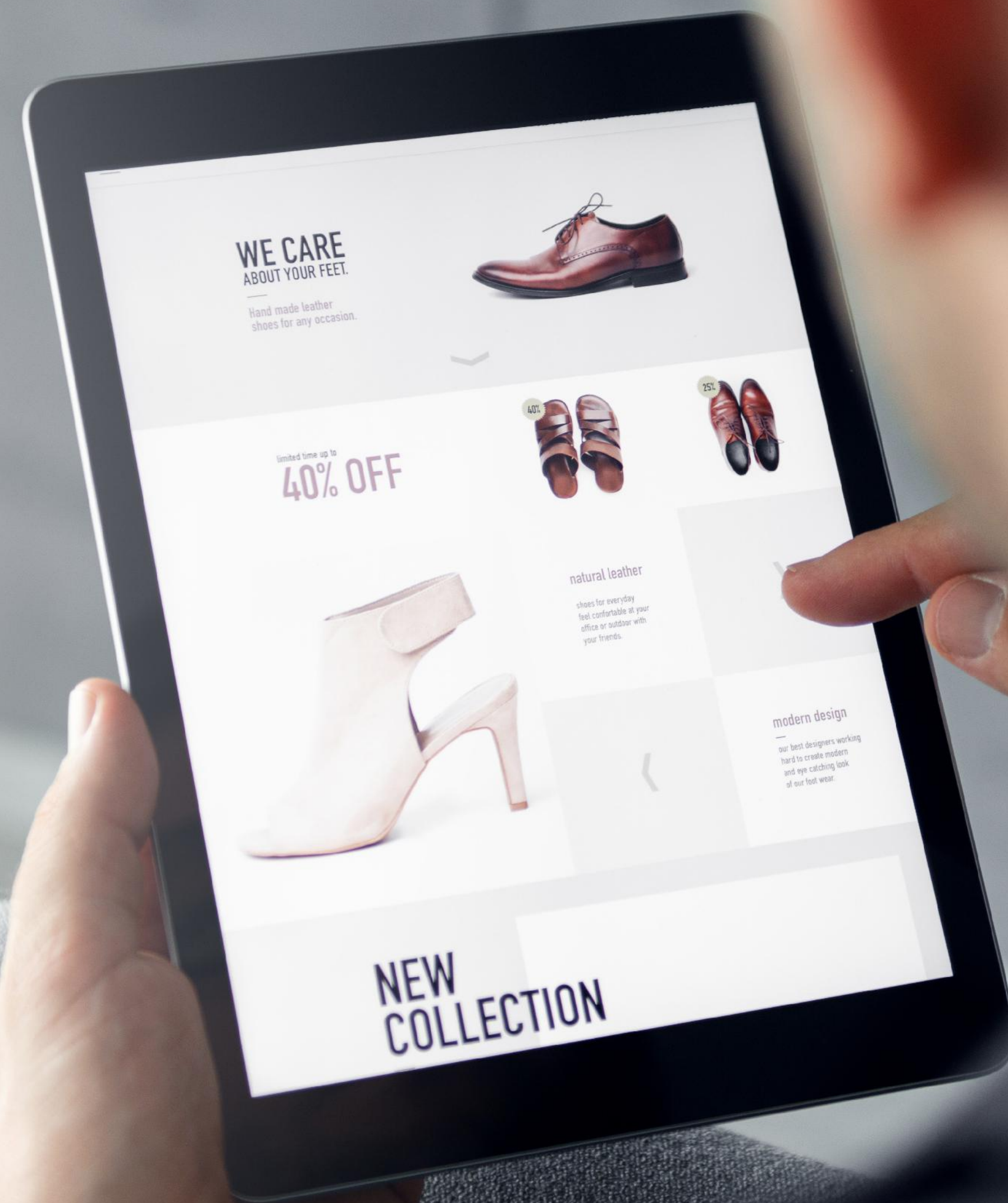
[www.jerseypost.com](http://www.jerseypost.com)



# What is changing?

## The VAT rules for the sale of goods into Europe are changing:

- As of 1 July, the EU will remove the low value VAT exemption for imported goods under €22.
- All goods sold into EU countries will now be subject to VAT regardless of their value.
- The IOSS (Import One Stop Shop) has been created to facilitate the declaration, collection and payment of VAT for the sale of goods valued under €150.





# Why?

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**The EU has made these changes to re-establish fair competition between European and 3rd country ecommerce retailers.**

The IOSS facilitates the declaration and payment of VAT for sellers from either the EU or from a non-EU country or territory.

# What are the options for business sellers?

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**If you are selling to recipients in EU countries you have the following options;**

## Do nothing

Known as DDU (delivery duties unpaid). This is where you send the goods and the buyer pays the VAT. A handling fee is also usually charged by the carrier when the goods arrive in the recipient country.

## Pay VAT to IOSS via a marketplace

If your products are sold via a marketplace, the collection of VAT is done at the point of sale and clearance of goods is done via that marketplace's own IOSS registration number.

## Register for IOSS via an intermediary

A non-EU established supplier should register for the IOSS and submit declarations via an intermediary based in an EU member country.

# What business sellers need to consider...

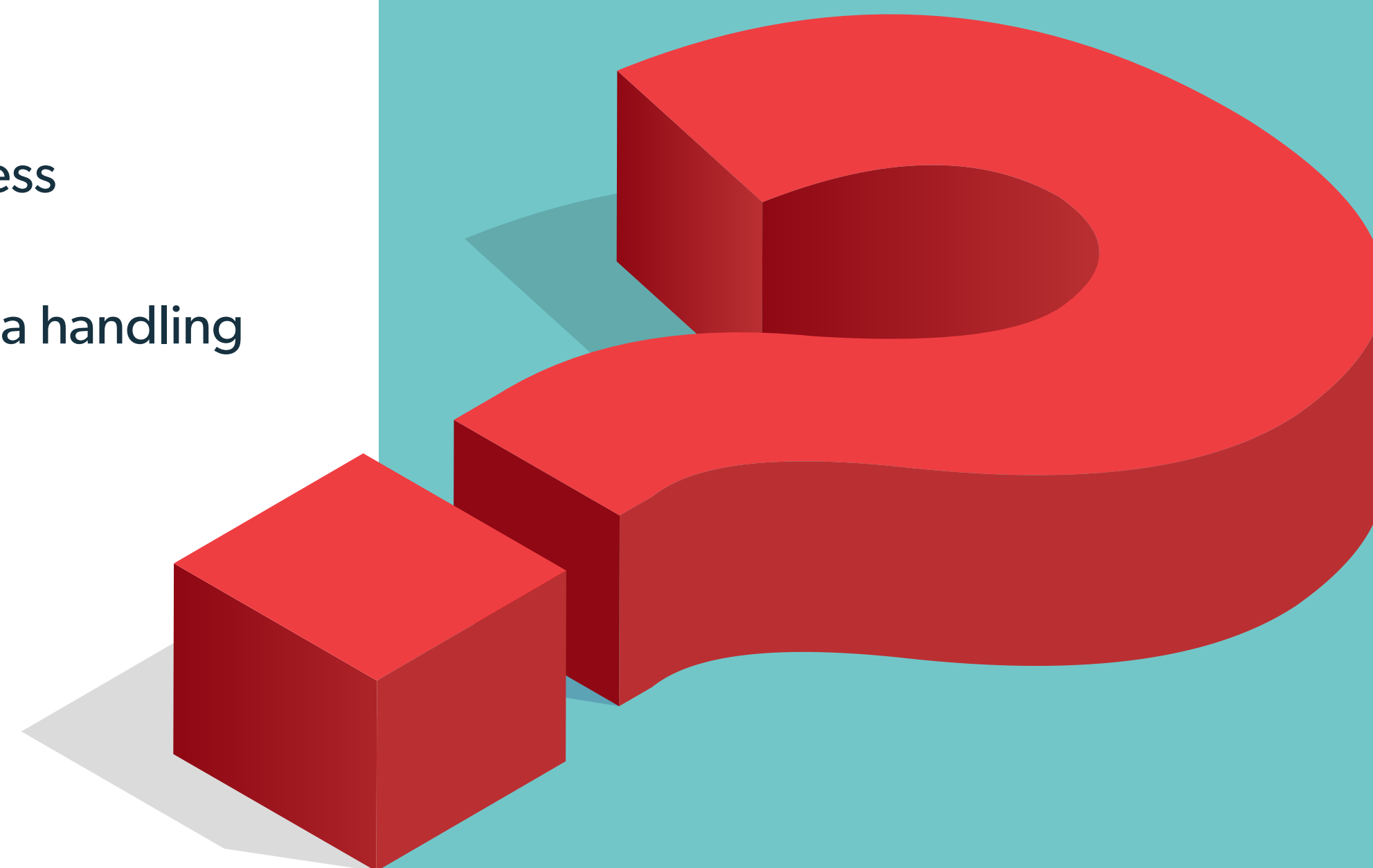
When deciding which option to choose we suggest considering the following:

- ✓ Identify if your business will be impacted by the new VAT rules.
- ✓ If you are selling through an online marketplace, contact them to confirm if they will be responsible for VAT accounting.
- ✓ Assess your VAT accounting needs and identify the VAT rates applicable in the EU countries you sell to.
- ✓ If you decide to register for IOSS, appoint an intermediary to handle tax compliance on your behalf in the EU.
- ✓ Ensure any VAT charged, at the point of sale, is clearly shown in the transaction to the customer.
- ✓ If you are using Atlas as your shipping platform, advise your Account Manager of your IOSS status, and they will advise of any necessary updates.
- ✓ Be prepared to submit the relevant IOSS number in the customs pre-advice when sending goods.
- ✓ Where relevant, adapt your postage labels, to clearly show IOSS has been paid.
- ✓ If you choose DDU and not to charge VAT at the point of sale, please inform your buyer upfront that import fees will be due for their item/s on arrival.



# What is there to know about IOSS?

- Pre-charging tax and declaring via the IOSS is not mandatory.
- However, pre-charging and declaring VAT via the IOSS enhances the process for the buyer as they pay an inclusive price at the point of sale.
- If a seller doesn't use the IOSS scheme, the buyer will have to pay VAT plus a handling fee, at the point of import.
- Sellers can register for IOSS now, but to register, you need to appoint an EU-established intermediary.
- Many marketplaces, such as Amazon and eBay, will be registered with IOSS and will automatically include the relevant VAT in the purchase price to the buyer.
- If you sell via an IOSS registered marketplace, you do not need to register your business. You simply declare the IOSS number, provided by the marketplace, on the goods you send.
- If you include VAT at the point-of-sale and declare via IOSS, you must submit the IOSS number in the electronic customs pre-clearance information on your shipping platform.
- Items valued over €150 cannot be declared via IOSS and will be subject to VAT on arrival.



For more information on IOSS refer to the European Commission website:  
[https://ec.europa.eu/taxation\\_customs/business/vat/ioss\\_en](https://ec.europa.eu/taxation_customs/business/vat/ioss_en)



# Sending IOSS items with Jersey Post

When dispatching your items, you must be prepared to submit the IOSS number in the EAD customs pre-advice.

Your IOSS number should not be shown on the postage label or marked anywhere on the outside of the package.

- **Over the counter**

The PO staff will ask for the IOSS number at the point of sale.

- **Online via the website**

On the VAT payment page, if you select the IOSS VAT pre-paid option, you will need to submit the IOSS number in a mandatory field.



## Are you a logistics customer using the Atlas shipping platform?

However you integrate with us, you will need to populate the relevant IOSS number field. If you only have one IOSS number\*, and you save this against your account, this will auto-populate the IOSS number field for every shipment.

- **Manual entry** – you can submit the IOSS number field for each item
- **CSV file upload** – there will be an additional mandatory IOSS field to populate on the CSV template
- **API integration** – the IOSS number will be captured in 'from address' field

Please refer to the Atlas user guide for more detailed information on the technical specification: <https://docs.jerseypost-atlas.com/#operation/newShipment>

\*If you ship your goods using several marketplace platforms, remember that you must submit the IOSS number for the relevant platform.

# When will the changes take effect?

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The EU has advised that all items arriving into an EU member country from 1st July 2021 will be subject to the new tax rules.





# Will Jersey Post offer an EU VAT postal solution?

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## Known as **PDDP**, Postal Delivery Duty Paid

We are working on it. Whilst we don't currently have a solution in place we are exploring options and will share any developments with you.





For the latest information, FAQs,  
and Atlas instruction guide see  
**[jerseypost.com/eu-vat](https://jerseypost.com/eu-vat)**

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your Account Manager directly  
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