Bird & Bird VAT and e-commerce



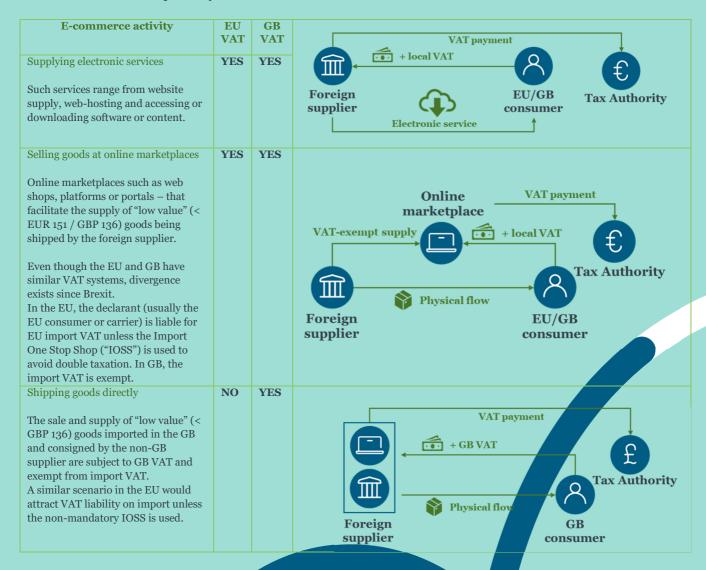
VAT requirements for companies not established in the European Union ("EU") or Great Britain ("GB")

Compliance with local VAT rules is key for offerings of goods or services through a website or an online marketplace. Failing to comply can be extremely damaging to your business, ranging from fines, civil claims for breach of contract and reputational damage.

 $EU/GB\ VAT\ compliance\ requirements\ are\ not\ limited\ to\ local\ companies\ or\ local\ supplies\ but\ also\ apply\ to\ non-EU\ or\ non-GB\ companies\ offering\ goods\ or\ services\ to\ EU/GB\ consumers\ from\ outside\ the\ EU/GB.$

When are you liable for local VAT?

Companies not established in the EU or GB are liable for local VAT when selling goods or supplying services to consumers in the EU respectively in the GB:



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What should non-EU/GB online suppliers do?

- Register for VAT purposes;
- Submit periodic VAT returns, charge and account for VAT;
- Keep records of the sales in your administration.

How can we assist?

- VAT-registration through the One Stop Shop ("OSS") and/or IOSS;
- Reviewing your existing website and/or mobile application at a fixed cost for an overall assessment for compliance with local VAT rules;
- The submission of a voluntary self-disclosure in GB and/or in the EU Member State(s) concerned in the event of non-compliance, which is recommended to prevent or mitigate possible penalties.

Our key experience:

- Assisting a US-based e-commerce company that provides domain name registration services and
 marketplace services for the buying and selling of domain supplier with VAT compliance related to its
 sales to consumers and businesses in the EU/GB;
- Providing legal advice to and negotiating with the tax authorities in the EU on behalf of a US-based services supplier of virtual private network related services in view of its VAT exposure in the EU;
- Assistance with reviewing VAT provisions in commercial agreements between foreign suppliers and online marketplaces to ensure VAT compliance as well as a proper balance of responsibilities.







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