

Bird & Bird

Customs and e-commerce

e-commerce

Simplify your e-commerce supply chain by using Import One Stop Shop – IOSS

Importing and supplying low value goods into the EU without placing unexpected charges with the customer can be realised by making use of the Import One Stop Shop (“IOSS”). IOSS has been created for the online community of e-commerce sellers to facilitate and simplify the declaration and payment of VAT whilst maintaining a quality customer experience in the EU.

What is IOSS?

E-commerce sales of goods imported into the EU called “distance sales” having a value < EUR 151 are taxed with value added tax (“VAT”) upon import into the EU.

IOSS enables e-commerce sellers that consign goods to EU based consumers or operate as online marketplace to easily comply with their EU related import VAT e-commerce obligations by having:

- 1) VAT collected from its EU based consumer when the good is being purchased;
- 2) the collected VAT being declared through IOSS; and,
- 3) the importation of the purchased good being exempt from import VAT.

Figure 1

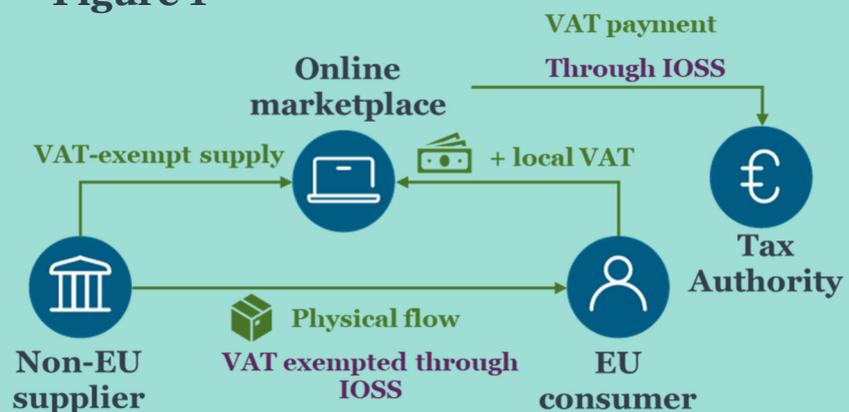
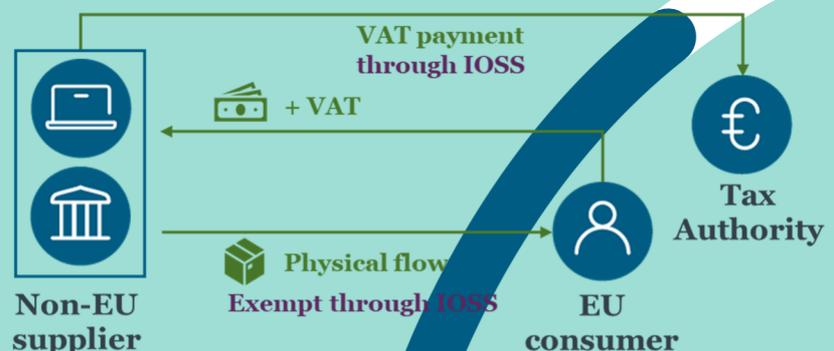


Figure 2



Why make use of it?

Besides facilitating the collection, declaration and payment of VAT for e-commerce sellers, IOSS prevents that EU consumers are confronted with a bill of import VAT before being able to receive their consignment. This means that by using IOSS, customer experience is to be increased.

Further, refunds for VAT charged and paid on returned goods is easily to be obtained through IOSS..

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Who can use it?

The following e-commerce sellers consigning goods valued < EUR 151 to EU consumers from outside the EU:

- 1) EU suppliers having a web shop
- 2) EU online marketplaces
- 3) Non-EU suppliers having a web shop (see Figure 1)
- 4) Non-EU online marketplaces (see Figure 2)

How does it work?

After having submitted the request for making use of IOSS:

- the tax authorities in the Member State of identification – chosen by the company requesting IOSS – will issue an IOSS VAT identification number (“IOSS VAT-id”);
- the IOSS VAT-id can be used for each distance sale valued < EUR 151;
- the IOSS VAT-id will enable the import VAT exemption;
- IOSS will facilitate the payment of VAT charged when the consignment is sold to the EU consumer.

Whether you are an established brand or a start-up wanting to facilitate the imports of consignments to EU consumers, we can assist with the IOSS registration. Please do contact any of the team members to find out more.

Our recent experience:

- Assisting a UK based e-commerce company that provides luxury goods with customs and VAT compliance and related legal advice in view of its sales to EU consumers and businesses;
- Providing legal advice to a Chinese smart logistics company in multiple EU Member States as well as the UK in view of e-commerce, customs and VAT related matters.



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