



eLearning module

eCommerce: OSS/IOSS Schemes – Basics (OSS/IOSS Basics)

Course takeaways

This is a quick and handy summary of the most relevant course information.

1 Learning objectives

By the end of this course, you will have learned about:

- The main OSS process in the 3 schemes: Union, Non-Union and Import scheme (IOSS).
- The different stakeholders, traders' interaction with Customs and Tax administrations in different schemes processes.
- The general functionalities of OSS and of IOSS.
- The benefits of using the 3 schemes.

2 Introduction to OSS/IOSS

The scope of the already existing Union and Non-Union schemes has been extended to become the One Stop Shop (OSS) as from the 1st of July 2021, from Telecommunications, Broadcasting and Electronically supplied services to all Business to Consumer services taking place in Member States where the supplier is not established, to intra-Community distance sales of goods and to certain domestic supplies of goods facilitated by electronic interfaces.

The One Stop Shop 3 schemes are optional for taxable persons but they allow them to declare and pay VAT due in the Member States in which these taxable persons are (in general) not established via a web-portal in the Member State in which they are identified (Member State of Identification).

The One Stop Shop (OSS)

	Non-EU established taxable person/supplier 	EU established taxable person/supplier 
Supplies of services to consumers (B2C)	 Non-Union scheme (OSS)	 Union scheme (OSS)
Distance sales of goods within the EU	 Union scheme (OSS)	 Union scheme (OSS)
Domestic supplies of GOODS by DEEMED SUPPLIERS	 Union scheme (OSS)	 Union scheme (OSS)

3 Union Scheme

3.1 Registration

The 3 schemes cover different supplies and are open for Registration to different taxable persons:

- 1) Any taxable person established in the EU can use the Union scheme and the Import scheme.
- 2) Any taxable person not established in the EU who carries out intra-Community distance sales of goods could possibly use all 3 schemes.

- 3) Any taxable person who is a deemed supplier who carries out intra-Community distance sales of goods and/or domestic supplies of goods could possibly use all 3 schemes.

3.2 VAT Return

VAT return contains the details of supplies in each Member State of Consumption:

- 1) Total taxable amount for each product supplied to each Member State in which it made sales, except where it has a fixed establishment
- 2) VAT amount and VAT rate
- 3) Services supplied from the Member State of Identification or from fixed establishments in another Member States are listed separately
- 4) Goods supplied are listed by the Member State in which the dispatch/transport of goods starts

A taxable person using the Union scheme is required to submit a One Stop Shop VAT return for each tax period, by electronic means. The tax period is the calendar quarter for the non-Union and Union scheme. The One Stop Shop VAT return is required to be submitted by the end of the month following the tax period covered by the return.

3.3 VAT Payment

VAT payment must include a reference to the relevant One Stop Shop VAT return and should be made when the One Stop Shop VAT return is submitted. However, if the payment is not made when the return is submitted, it should be made at the latest at the expiry of the deadline of the return submission.

3.4 Specific Processes

Deregistration

A taxable person can leave a scheme voluntarily (deregistration) and must inform the Member State of Identification at least 15 days before the end of the calendar quarter prior to that in which they intend to cease using the scheme.

Exclusion

A taxable person can be excluded from one scheme by the Member State of Identification for a certain period if they persistently fail to comply with the rules. They will be excluded from all other schemes and will not be able to register for any of the three schemes before the quarantine period has come to an end.

Quarantine

The quarantine period is the period during which the taxable person is excluded from using any of the schemes of the One Stop Shop. There is a quarantine period of 2 years following the month during which they were excluded

4 Non-Union Scheme

4.1 Registration

Any taxable person, not established in the EU, who supplies services to non-Taxable person taking place in the EU, can register in the non-Union scheme.

For the non-Union scheme, a taxable person can choose any Member State to be the Member State of Identification. That Member State will allocate an individual VAT identification number to the taxable person. This VAT identification number can only be used to declare supplies falling under the non-Union scheme.

4.2 VAT Return

A taxable person using the Non-Union scheme is required to submit a Quarterly VAT return for each tax period, by electronic means. The tax period is the calendar quarter for the non-Union and Union scheme. The One Stop Shop VAT return is required to be submitted by the end of the month following the tax period covered by the return.

VAT return must detail:

- 1) Total taxable amount for each product supplied to each Member State
- 2) VAT amount
- 3) VAT rate

4.3 VAT Payment

VAT payment is made to the Member State of Identification which distributes the VAT to each Member State of Consumption.

4.4 Specific Processes

Deregistration

A taxable person is required to inform the Member State of Identification at least 15 days before the end of the calendar quarter prior to that in which it intends to cease using the scheme. It will be deleted from the Non-Union scheme and can register in the Union scheme to declare Business to Consumer supplies of services.

Exclusion

A taxable person can be excluded by the Member State of Identification from the Non-Union scheme they are using if they notify that they no longer supply goods and/or services under the scheme, if assumed that their activities under the special scheme have ceased, if they no longer meet the conditions necessary for using the scheme or if they persistently fail to comply with the rules relating to the scheme.

Quarantine

A quarantine period only applies when a taxable person persistently fails to comply with the rules relating to the Non-Union scheme and there is a quarantine period of 2 years following the (quarterly or monthly) return period during which the taxable person was excluded.

5 Import Scheme

The Import One-Stop Shop (IOSS) simplifies the declaration and payment of VAT for distance sales of goods imported from third territories or third countries by EU or non-EU sellers to consumers in the EU.

The IOSS allows suppliers and electronic interfaces selling imported goods to buyers in the EU to collect, declare and pay the VAT to the tax authorities, instead of making the buyer pay the VAT when the goods are imported into the EU as it was previously the case before the 1st of July 2021.

If the seller is not registered in the IOSS, the buyer must pay the VAT and usually a customs clearance fee charged by the carrier.

- 1) IOSS only applies to consignment of goods of value \leq EUR 150.
- 2) The buyer is charged VAT at the time of purchase and not when the goods are imported into the EU.
- 3) The import declaration shall contain the valid IOSS number.

5.1 Registration

Direct Registration

For the import scheme, the Member State of Identification is the Member State in which the taxable person has established their business.

If taxable person had not established their business in the EU, the Member State of Identification is a Member State in which they have a fixed establishment.

If the taxable person is established outside the EU, but in a third country with which the EU has concluded an agreement on mutual assistance for the recovery of VAT and makes distance sales of imported goods from that third country, they are free to choose any Member State as Member State of Identification. In this case, there is no need to appoint an intermediary to be able to use the import scheme.

Indirect Registration via an Intermediary

If the taxable person makes distance sales of imported goods from other third countries, they do have to appoint an intermediary to use the Import scheme.

The Member State of identification will allocate the intermediary an individual IOSS VAT identification number.

5.2 VAT Return

In the import scheme, the taxable person declares distance sales of goods imported from third territories or third countries not exceeding EUR 150. This threshold applies per consignment. The taxable person or the intermediary is required to submit the Import One Stop Shop VAT return electronically to the Member State of Identification by the end of the month following the end of the tax period covered by the return. In the import scheme, the tax period is one calendar month.

The taxable person provides the VAT return information to each Member State mentioned in the VAT return in which the dispatch or transport of the goods to the customer ends.

5.3 VAT Payment

The taxable person pays the VAT due to the Member State of identification. It pays the total amount resulting from the VAT return (covering all Member States of Consumption). The Member State of Identification then distributes the appropriate amounts to the various Member States of Consumption.

5.4 Specific Processes

Deregistration

To deregister from the Import scheme, the taxable person or the intermediary acting on their behalf, is required to inform the Member State of Identification at least 15 days before the end of the month prior to that in which he intends to cease using the scheme.

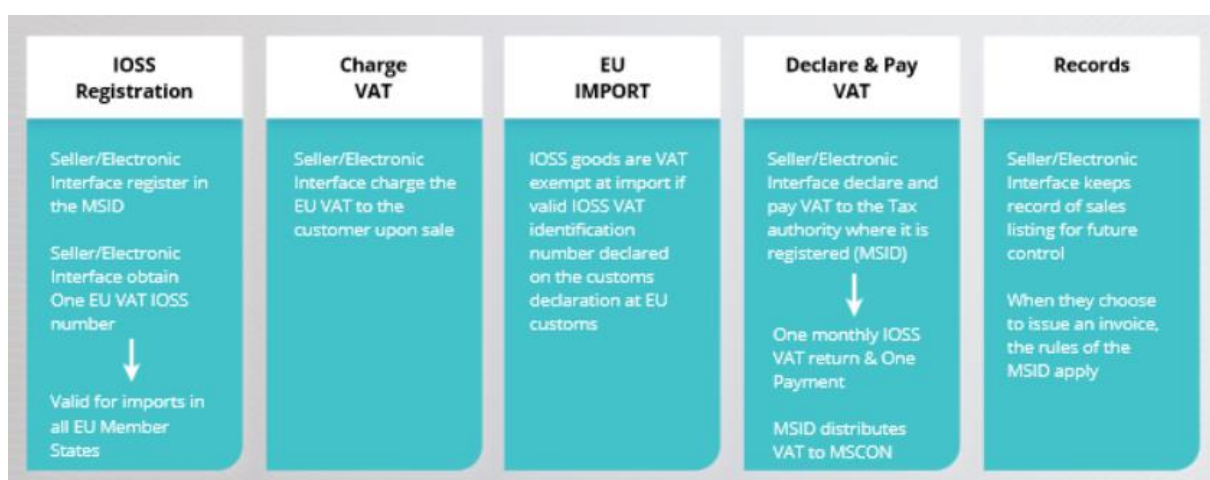
Exclusion

If a taxable person is excluded from the import scheme, the IOSS VAT identification number will remain valid for a period up to 2 months to allow the import of goods that were supplied prior to the date of exclusion. This does not apply in case the taxable person is excluded for persistent failure to comply with the rules of the import scheme. In this case, the IOSS VAT identification number is not valid anymore as from the day following that on which the exclusion decision is sent to the taxable person.

Quarantine

If the intermediary persistently fails to comply with the rules relating to the import scheme, there is a quarantine period of 2 years following the month during which they were deleted from the register. Consequently, the taxable person(s) they represent will be excluded as well for not fulfilling the conditions to use the import scheme. They can, however, reregister for the import scheme immediately if they fulfil the conditions to do so, directly if they are established in the EU or by appointing another intermediary.

Suppliers who are directly registered to use the IOSS (not via an intermediary) will be excluded from the scheme where they persistently fail to comply with the rules of the scheme.



Remember, this is a quick and handy summary of the most relevant course information. Only the European Union legislation published in the Official Journal of the European Union is deemed authentic. The Commission accepts no responsibility or liability whatsoever with regard to the training.



Publications Office
of the European Union

ISBN
DOI:
KI

© European Union, 2021

Reuse of this document is allowed, provided appropriate credit is given and any changes are indicated (Creative Commons Attribution 4.0 International license). For any use or reproduction of elements that are not owned by the EU, permission may need to be sought directly from the respective right holders.
All images © European Union, unless otherwise stated – all rights reserved.