

Retailers and wholesalers welcome easier cross-border VAT filing, abolition of VAT-free parcels, but deplores late implementation

EuroCommerce welcomed the adoption today of the VAT proposals related to electronic commerce. The extension of the VAT Mini One-Stop Shop (MOSS) from intangible goods to tangible goods is a real step forward. It should encourage smaller companies to sell to consumers in other countries by removing the need to register for VAT in different Member States.

EuroCommerce Director-General Christian Verschueren commented: *“Today’s decision by the Council is an important step towards the removal of cross-border barriers in e-commerce. Different and unclear VAT rules across the EU discourage traders, in particular SMEs, from selling cross-border. The VAT One-Stop Shop should be an incentive for businesses to look for opportunities abroad. If they do, consumers will benefit as well. These rules will of course not harmonise the different VAT rates, but if the rates and particular administrative requirements for each Member State are explained clearly and in a user-friendly way, this One-Stop Shop can be really helpful.”*

The abolition of the VAT threshold for the import of small consignments from third countries is also very welcome. Parcels of a value up to 22 euros coming from outside the EU are currently exempt of VAT, whilst the same product bought from an EU-based seller is subject to a VAT of up to 27%. The rising popularity of Asian shopping platforms among European consumers has meant that many products ordered on those platforms are not being taxed at all. The abolition of the VAT threshold will help establish a level playing field between competitors from inside and outside the EU.

On a less positive note, EuroCommerce deplores the long implementation phase. Verschueren added: *“The tremendous speed of new technical developments in the digital sector requires a quick reaction from policy makers. It is frustrating that companies will still have to wait more than 3 years until these useful measures will finally be in place”*.

~ENDS~

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EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 31 countries and 5.4 million companies, both leading multinational retailers such as Carrefour, Ikea, Metro and Tesco, and many small family operations. Retail and wholesale provide a link between producers and 500 million European consumers over a billion times a day. It generates 1 in 7 jobs, providing a varied career for 29 million Europeans, many of them young people. It also supports millions of further jobs throughout the supply chain, from small local suppliers to international businesses. EuroCommerce is the recognised European social partner for the retail and wholesale sector.