

E-commerce Webinar Trilogy – Part 1

EU E-commerce and stock movement

Speakers



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Agenda



**E-commerce
2021 - 2023**



**EU OSS
Transfer of
Stock**



**Bleckmann
OSS in practice**



Q&A



EU VAT Rules E-commerce

Background

Reduce administrative burden for traders



Eliminate unfair competition



Reduce VAT Fraud Risk



Increase digital single market EU



Implementation new e-commerce rules as of 1 July 2021

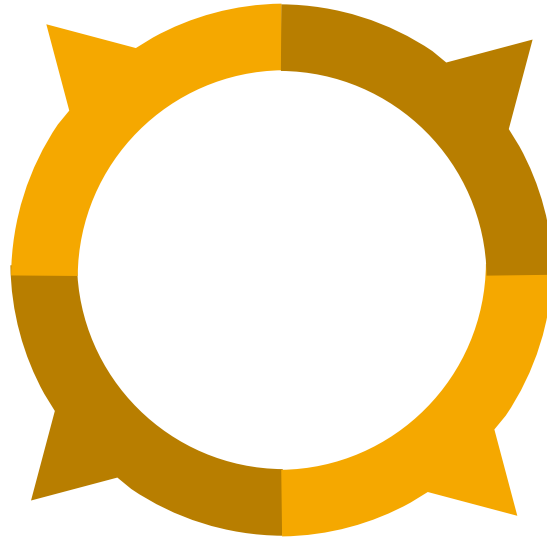
Changes as of the 1st of July

Distance sales thresholds abolished

Local VAT applies on B2C intra-EU sales (unless sales remain under 10.000 Euro)

Simplified VAT reporting

One VAT return to account for EU VAT on B2C intra-EU sales (Extension of MOSS scheme)



Introduction of I-OSS

VAT on all imports (abolition of VAT exemption for of low value consignments (< 22 Euro))

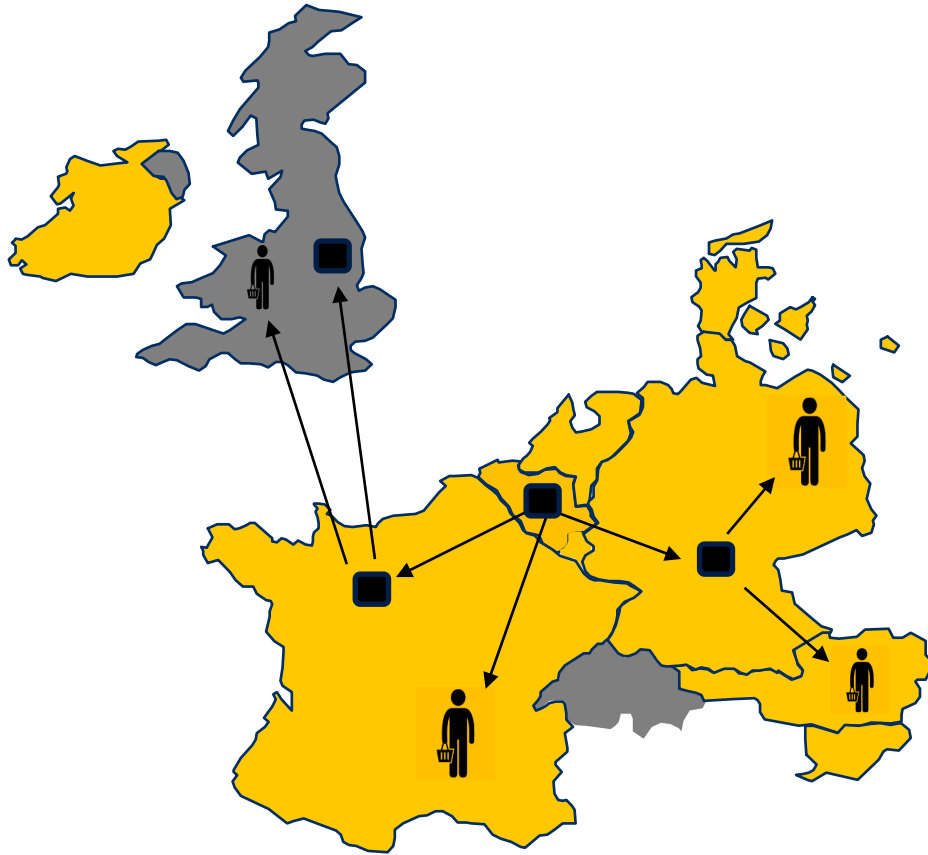
Electronic Platforms

Facilitating electronic interface may be considered to be deemed supplier

Scope of this webinar

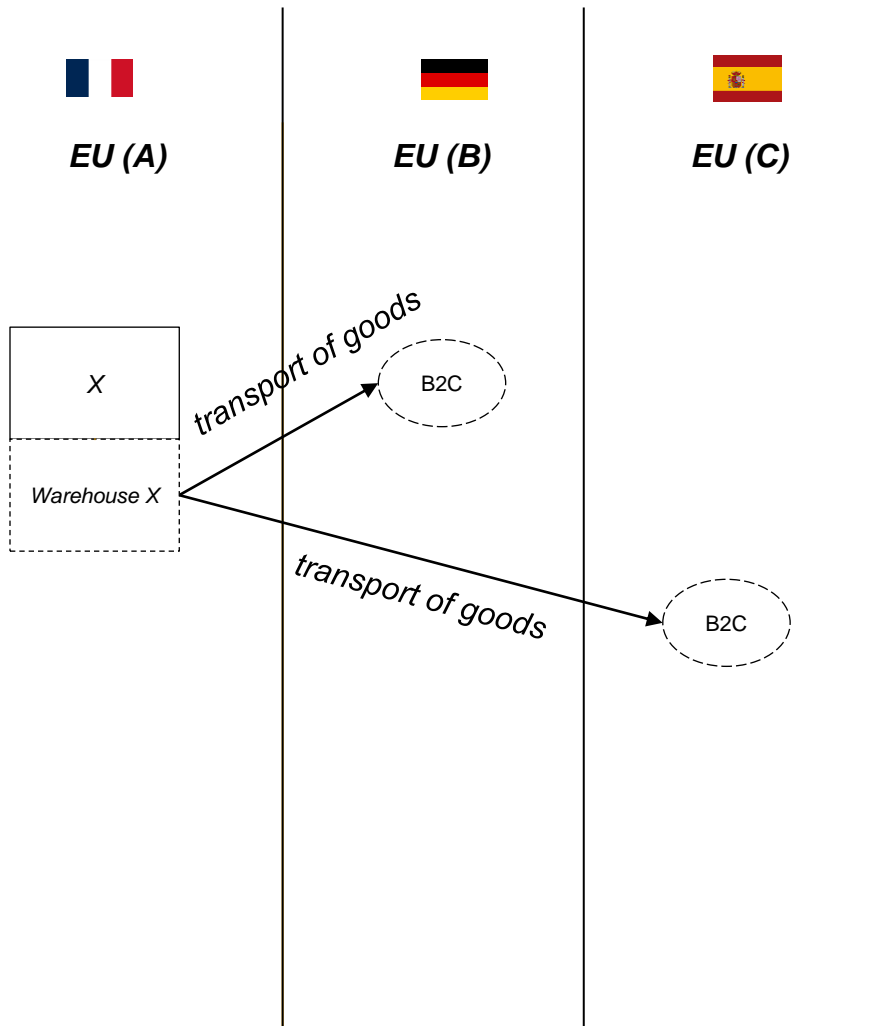
	OSS – One Stop Shop				Import Scheme (IOSS – Import OSS)
	Non-Union Scheme	Union Scheme			
Types of supplies	All B2C supplies of services to customers in the EU	All intra-Community B2C supplies of services	Intra-Community distance sales of goods	Domestic B2C supplies of goods	Distance sales of imported goods in consignments ≤ EUR 150
Taxable persons	Non-EU established	Only EU established	EU & non-EU established	Electronic interfaces EU and non-EU established	EU & non-EU established, including electronic interfaces

E-commerce in practice



- Multiple sales structures
- Complex administration
- Local VAT registrations
- Know your supply chain!

EU VAT – Distance sales – To apply OSS or not...



One Stop Shop (OSS)

- X can register under the OSS scheme. Where?
 - EU : member state of establishment
 - Non-EU :
 - If FE: member state of FE or free choice
 - If no FE: Member State of dispatch or free choice
- X will be able to file a single OSS return for the EU via the portal of the respective member state of identification.
- X does not need to issue invoices (optionally allowed).

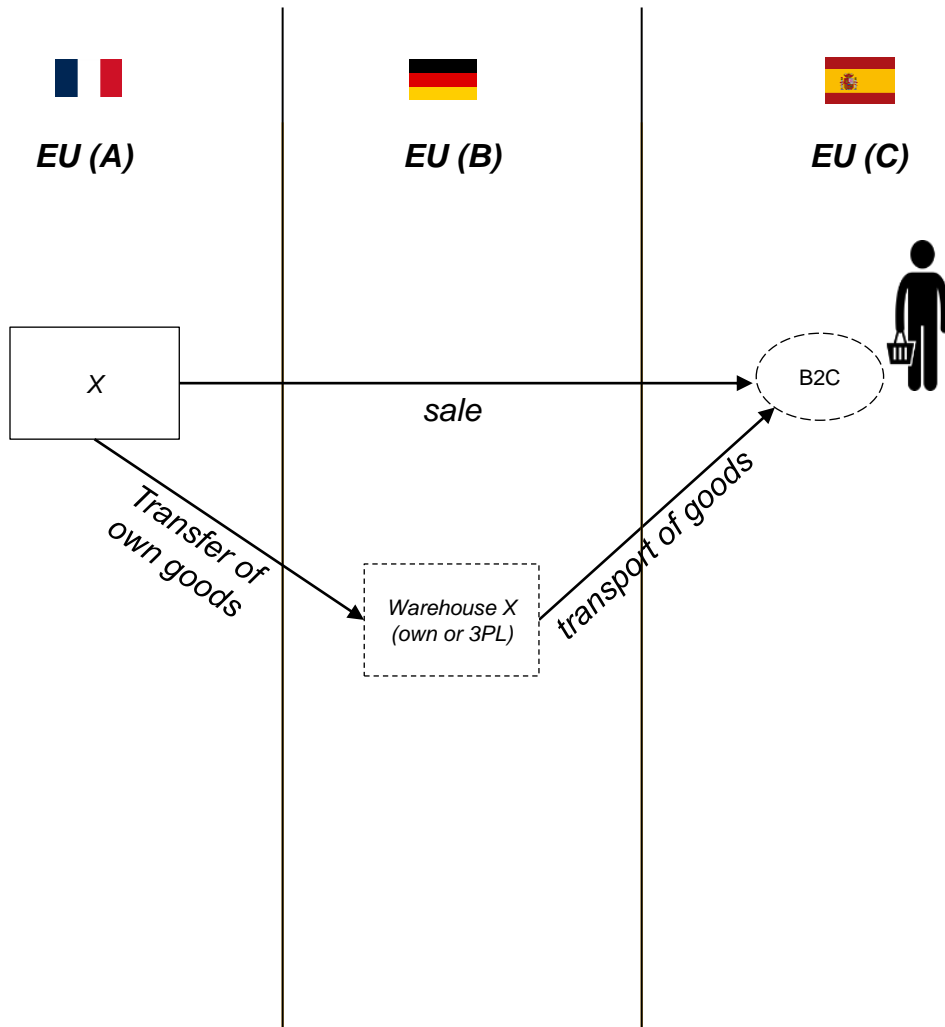
No One Stop Shop (OSS)

- X potentially needs to register in all delivery countries
- VAT is due in country A under EUR 10,000 per year
- X needs to file local VAT returns
- X needs to invoice and apply (local) invoice rules

Please note that:

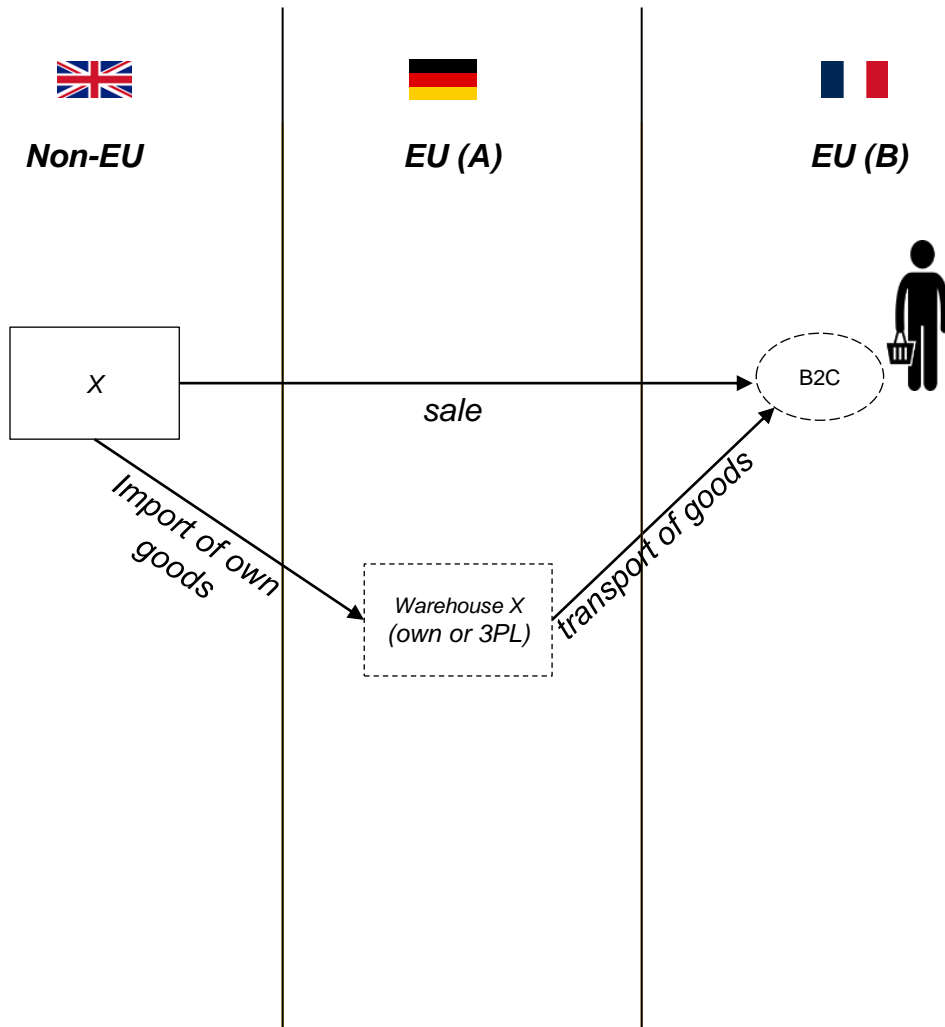
- The EUR 10,000 threshold is calculated by taking into account the total value of cross-border TBE services and intra-Community distance sales of goods.
- X cannot recover its VAT via OSS.

EU VAT – Distance sales – warehouse in other country



- X needs to be VAT registered in country A and B
- Country B's VAT registration is needed for the acquisition of goods and reclaim of VAT
- The OSS registration should be done in country A
- Compliance burden:
 - 2 VAT registrations
 - 1 OSS registration

EU VAT – Distance sales – Non-EU supplier



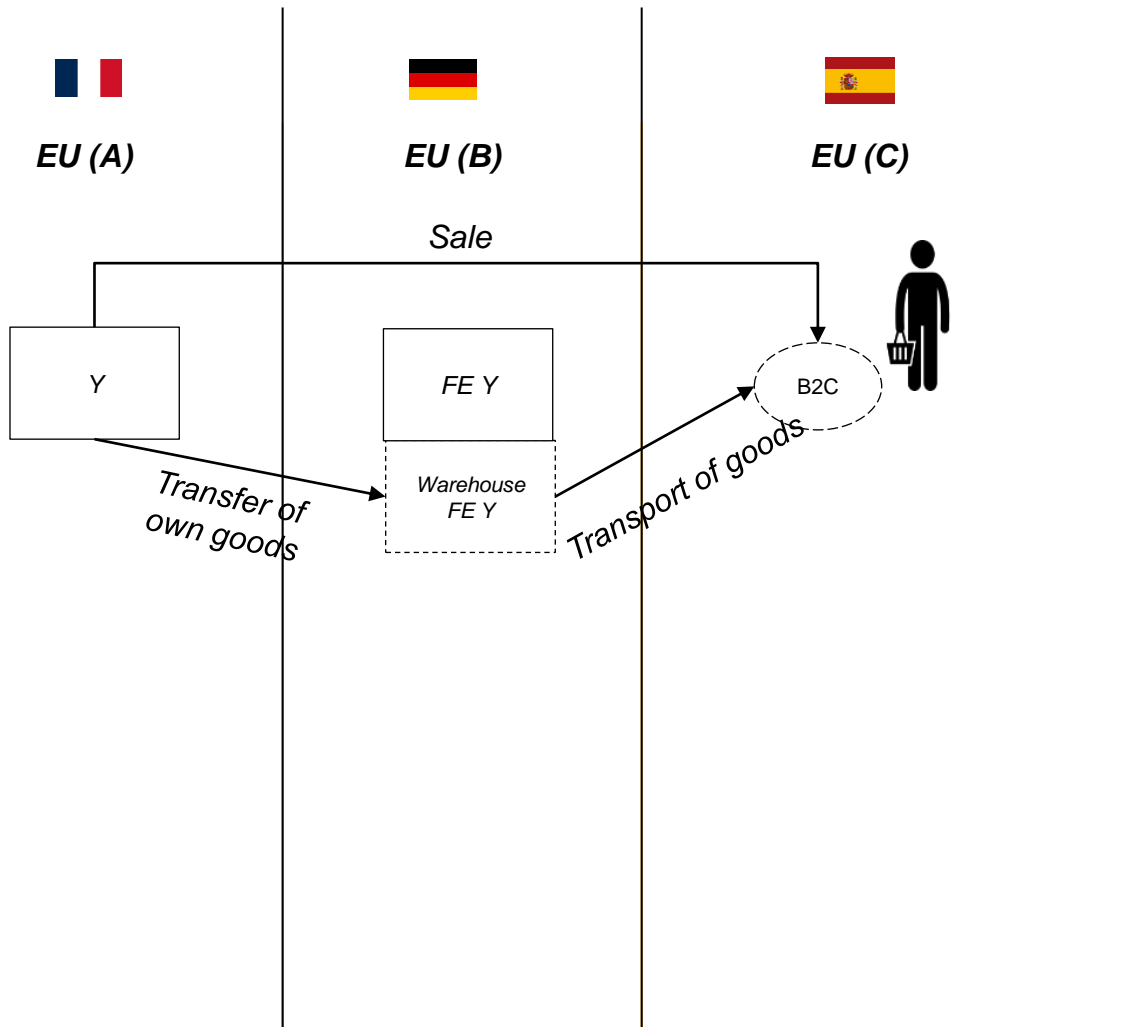
A Non-EU supplier can also opt for OSS

- In principle available for EU cleared goods
- A (general) VAT registration should be requested in EU member State A (as well as in the country of import if not EU Member State A)
- X may use the OSS scheme. Registration in member state of FE or dispatch of the goods
- VAT is due in EU member State B (threshold EUR 10,000 per year does not apply for non-EU sellers)

Please note that:

- Goods have to be imported firstly
- Fiscal representation may be needed
- EU bank account may be requested! (e.g. NL)
- Compliance burden:
 - 1 VAT registration (possibly: +1 in the country of import)
 - 1 OSS registration

EU VAT – Distance sales – VAT fixed establishment



- Companies may have a FE in an EU Member State
- OSS may be applied applied by the headoffice (member state of establishment)
- Compliance burden:
 - 2 VAT registrations
 - 1 OSS registration

EU VAT – OSS – Local supplies?



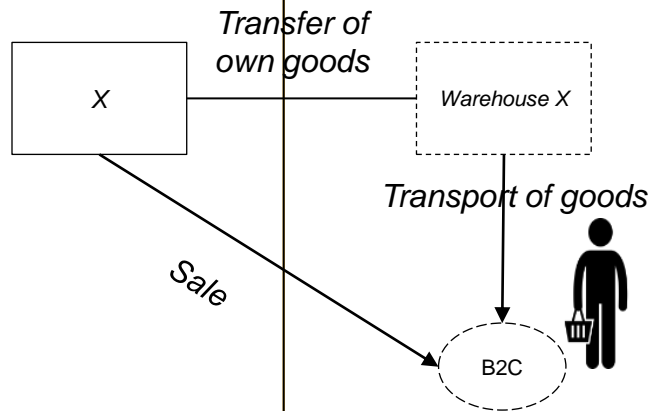
Non-EU



EU (A)



EU (B)



- Companies may have a warehouse in a country other than the member state of establishment
- If goods are supplied to the warehouse, this should be regarded as a (deemed) acquisition of goods in that country.
- Local registration is needed in member state A and B.
- The subsequent local supply to a customer in the warehouse country does not fall within scope of OSS
- Local VAT is due via the local VAT registration
- Compliance burden:
 - 2 VAT registrations
 - 1 OSS registration

EU VAT – OSS – warehousing – multiple warehouses



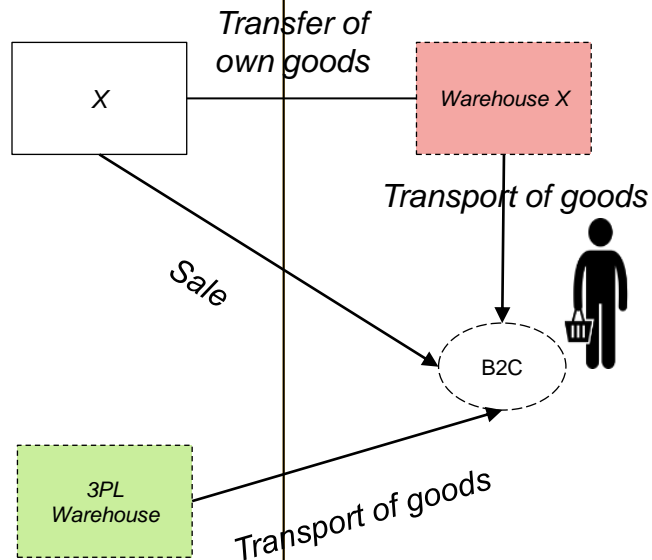
Non-EU



EU (A)

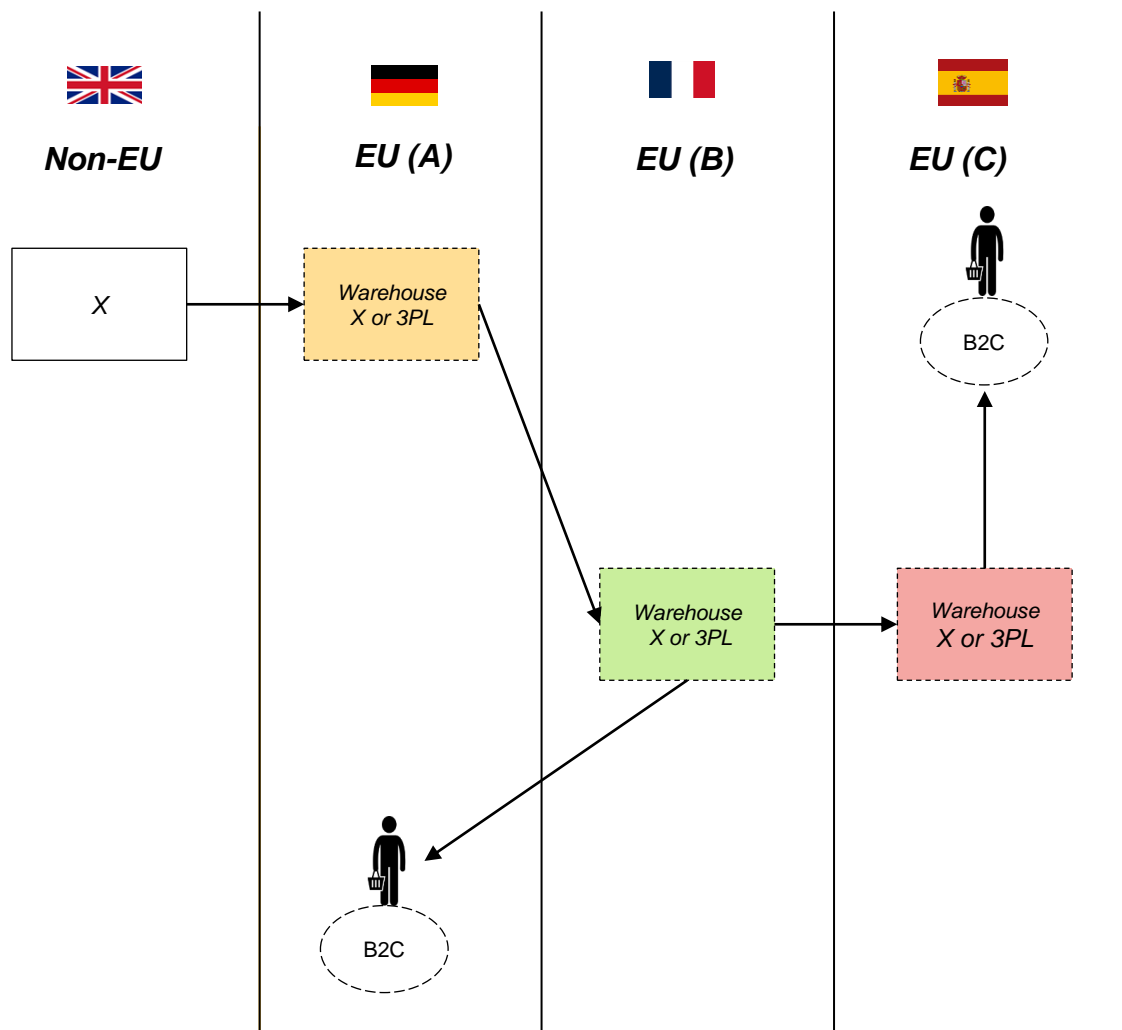


EU (B)



- Companies may have a warehouse in several countries
- If goods are supplied to the warehouse X, this should be regarded as a (deemed) acquisition of goods in that country.
- Local registration is needed.
- The subsequent delivery to a customer in the warehouse country does not fall within scope of OSS
- The delivery from another (3PL) warehouse will fall within scope of OSS
- In both scenarios local VAT is due
- Compliance burden:
 - 2 VAT registrations
 - 1 OSS registration

EU VAT – OSS – 3PL warehousing and distribution



- Companies may have multiple warehouses in several countries
- If goods are supplied to the warehouse, this should be regarded as a (deemed) acquisition of goods in that country.
- Local registration is needed in each country where a warehouse is situated.
- Some platform providers can transport your goods from one warehouse to another (e.g. Amazon Pan-EU solution)
- Compliance burden:
 - 3 VAT registrations
 - 1 OSS registration - Where? Member state of dispatch (France)



Practical Experience

Bleckmann

Bleckmann Background



- Logistic end-to-end partner for fashion and lifestyle brands
- Service lines
 - Warehousing
 - Transport
 - Freight
 - Customs (including VAT)
- > 30 warehouse locations in Belgium, Netherlands, UK & US (expansion in the pipeline)
- > 4.000 employees

Bleckmann Client landscape

- Non-EU & EU sellers / brands with B2B & B2C client basis
- Key markets
 - EU
 - UK
 - USCAN (limited VAT impact)
 - Rest of world (ROW), including Switzerland/Norway
- Delivery conditions: mainly DDP!

Bleckmann Client landscape

- Bulk entries into EU (or UK)
 - Option 1: Customs clearance in EU country warehouse (with deferral licence)
 - Option 2: Bonded warehouse if # shipments to non-EU countries
- Brexit impact:
 - Bonded warehouse in EU country (see option 2)
 - Inventory split between EU & UK warehouse

B2B Deliveries



- Bulk entries
 - VAT ID number in country of arrival (warehouse)
- Regular VAT rules B2B-sales
 - Domestic transactions (eventually domestic reverse charge)
 - VAT exempt Intra-Community sales
 - VAT exempt Export sales
 - VAT exempt sales under bonded warehouse regime

EU B2C Deliveries – OSS



- Common use by traders for B2C deliveries
 - Bulk import shipment combined B2B & B2C orders → import clearance country of arrival
 - Own VAT ID number
 - Import deferral licence (if applicable)
 - Local VAT charged to B2C customers → reporting in OSS Return
 - No impact sales thresholds!

EU B2C Deliveries – OSS



- Multiple inventories in # EU countries
 - EU trader with warehouse in other EU Member States
 - Replenishment
 - Local VAT for domestic sales
- Sales in ‘consignment’ model
 - Foreign inventory versus consignment stock
 - Unclear regulation
 - VAT registrations?

EU B2C Deliveries – Electronic Platforms



- ‘Upcoming’ business model
 - Growing market demand to avoid VAT reporting complexity
 - Understanding of the rules?
 - Client VAT registration?
 - Product ownership?

EU B2C Deliveries – IOSS



- Not common in ‘our’ business
 - Bulk import shipment combined B2B & B2C orders ≠ IOSS
 - Bulk import shipment bonded status ≠ IOSS
 - Practical ‘burden’ to deal with EUR 150 threshold in fashion industry
 - Limited business flexibility

UK B2C Deliveries



- Incoterm discussion: DDP = common
 - Bulk versus parcel deliveries
 - Unclear business understanding Sales VAT Scheme (GBP 135)
 - Sales < GBP 135: incorrect application sales VAT scheme
 - Sales > GBP 135: Importer of record + calculation VAT
- Increased demand on Electronic Platform scheme
- Communication with parcel carriers

ROW B2C Deliveries



- Limited Incoterm impact (exception: CH/NO/...)
- Bonded versus non-bonded shipping (depending on carrier)
- Limited Indirect Tax discussion
 - Minor impact Sales VAT threshold
 - De minimis threshold

Questions?



Thank You

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