

EU VAT CHANGES AS OF JULY 1ST, 2021

INFO FOR SHIPPERS TO THE EU

Last Update: May 21st 2021

EUROPEAN UNION (EU) VALUE ADDED TAX (VAT) DE MINIMIS REGULATORY CHANGE OVERVIEW




- **All commercial goods imported** into the EU* will be **subject to VAT** and will require **formal customs declaration**
- **Previously**, commercial goods imported into the EU with a value up to **22 EUR** were **exempted** from VAT
- An **optional VAT collection scheme** known as **Import One-Stop Shop (IOSS)** will be introduced for online sellers and online platforms; IOSS will only be applicable for **B2C** transactions of goods with a value **up to 150 EUR**

WHAT DOES THIS MEAN FOR YOU?

1 Formal Customs Declaration
 In order to ensure a smooth customs clearance at destination, it is **key that you provide accurate Commercial / Pro Forma invoice data**, such as goods descriptions, customs tariff code, itemized values, item quantity, and other information. Generic descriptions such as “samples” or “spare parts” are not allowed.

2 VAT Payment
 You can choose between the **following options to pay VAT** for goods imported into the EU:


A Without IOSS (for B2C and B2B) | Goods of any value

 **DHL pays VAT to Authorities upon import** (and then charges the pre-selected payer)



- As today, if you **pre-select to pay all DHL charges when booking a shipment (on behalf of your customers/receivers of the goods)**, then DHL will outlay VAT and charge it back to you (together with other Customs-related charges, if applicable)
- This ensures **no charges to your customers/receivers** of goods
- This service is known as the **DHL Duties & Taxes Paid (DTP) Billing Service** – please contact your DHL representative for more information

OR

 **Importer pays VAT directly to Authorities upon import** (via its own import deferment account)

B With IOSS (only for B2C) | Goods up to 150 EUR



VAT collected by the online seller at the moment of purchase (and online seller then pays the local Tax Authority in the EU via monthly VAT return)

- IOSS removes the need to register for VAT payment in each EU country that you sell to (only for B2C goods up to 150 EUR), i.e.: a **single IOSS identification number applies in all 27 EU countries**
- If you are not an EU-based seller, you must **appoint an intermediary** (such as a tax representative) to fulfil VAT obligations on your behalf
- IOSS registration is done by the online seller of goods. If goods are **sold via an online marketplace**, then the online marketplace is the one that can be also IOSS registered and fulfil VAT obligations (and **the IOSS number of the marketplace has to be provided**)



If you use IOSS, you must **provide the IOSS identification number electronically to DHL with the invoice data** so DHL can use it in the clearance process - **otherwise VAT will be levied upon the import of goods**

For additional information about IOSS, click below
https://ec.europa.eu/taxation_customs/business/vat/ioss_en

*European Union (EU) countries: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden.

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