Value added tax (VAT): certain obligations for supplies of services and distance sales of goods

2016/0370(CNS) - 05/12/2017 - Final act

PURPOSE: facilitate the collection of VAT when consumers purchase goods and services online.

LEGISLATIVE ACT: Council Directive (EU) 2017/2455 amending Directive 2006/112/EC and Directive 2009/132/EC as regards certain value added tax obligations for supplies of services and distance sales of goods.

CONTENT: this Directive aims to amend Directive 2006/112/EC and Directive 2009/132/EC as regards certain value added tax obligations for supplies of services and distance sales of goods.

The new rules are part of the EU's 'digital single market' strategy, and are aimed at making it easier for online businesses to comply with VAT obligations.

The Directive provides for:

- the introduction, **from 1 January 2019**, of simplification measures for intra-EU sales of electronic services;
- the extension, **from 1 January 2021,** of the current EU **one-stop shop** to distance sales of goods, both intra-EU and from third countries, as well as the **elimination of the VAT exemption for small consignments** (worth less than EUR 22); a new portal will be established for distance sales from third countries for sums of less than EUR 150.

The Directive makes **online platforms** liable for collecting VAT on the distance sales that they facilitate.

VAT will be paid in the Member State of the consumer. However, in cases **below EUR 10 000** of cross-border online sales per year, a company may continue to apply the VAT rules of its country of origin.

ENTRY INTO FORCE: 18.1.2018.

TRANSPOSITION: by 31.12.2018 and 31.12.2020 depending on the relevant provisions.

APPLICATION: from 1.1.2019 and from 1.1.2021 depending on the provisions.