Basic information

2023/0158(CNS) CNS - Consultation procedure Directive	Awaiting final decision
VAT rules relating to taxable persons who facilitate distance sales of imported goods and the application of the special scheme for distance sales of goods imported from third territories or third countries and special arrangements for declaration and payment of import VAT Amending Directive 2006/112 2004/0079(CNS) **Subject** 2.70.02 Indirect taxation, VAT, excise duties **Legislative priorities** Joint Declaration 2023-24	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	ÓDOR Ľudovít (Renew)	20/05/2025
	Shadow rapporteur PEREIRA Lídia (EPP) LALUCQ Aurore (S&D) MARTÍN FRÍAS Jorge (PfE) PETER-HANSEN Kira Marie (Greens/EFA) TRIDICO Pasquale (The Left)	

Former committee responsible	Former rapporteur	Appointed
ECON Economic and Monetary Affairs	CHASTEL Olivier (Renew)	12/07/2023

Council of the European Union

European Commission

Commission DG	Commissioner
Taxation and Customs Union	GENTILONI Paolo

Key events

Date	Event	Reference	Summary
17/05/2023	Legislative proposal published	COM(2023)0262	Summary
11/09/2023	Committee referral announced in Parliament		
24/10/2023	Vote in committee		
31/10/2023	Committee report tabled for plenary, 1st reading/single reading	A9-0320/2023	Summary
22/11/2023	Decision by Parliament	T9-0423/2023	Summary
22/11/2023	Results of vote in Parliament		
13/05/2025	Amended legislative proposal for reconsultation published	08710/2025	
14/05/2025	Formal reconsultation of Parliament		
24/06/2025	Vote in committee		
27/06/2025	Committee report tabled for plenary, reconsultation	A10-0119/2025	
08/07/2025	Decision by Parliament	T10-0144/2025	Summary
08/07/2025	Results of vote in Parliament		

Technical information

Procedure reference	2023/0158(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Directive
Amendments and repeals	Amending Directive 2006/112 2004/0079(CNS)
Legal basis	Treaty on the Functioning of the European Union TFEU 113
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Awaiting final decision
Committee dossier	ECON/10/02870 ECON/9/12066

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE753.575	05/10/2023	
Committee report tabled for plenary, 1st reading/single reading		A9-0320/2023	31/10/2023	Summary
Text adopted by Parliament, 1st reading/single reading		T9-0423/2023	22/11/2023	Summary
Committee draft report		PE774.445	13/06/2025	
Committee final report tabled for plenary, reconsultation		A10-0119/2025	27/06/2025	

Text adopted by Parliament after reconsultation		T10-0144/2025	08/07/2025	Summary

Council of the EU

Document type	Reference	Date	Summary
Amended legislative proposal for reconsultation	08710/2025	13/05/2025	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2023)0262	17/05/2023	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES3252/2023	13/12/2023	

Additional information

Source	Document	Date
European Parliament	Briefing	23/07/2024
European Commission	EUR-Lex	

VAT rules relating to taxable persons who facilitate distance sales of imported goods and the application of the special scheme for distance sales of goods imported from third territories or third countries and special arrangements for declaration and payment of import VAT

2023/0158(CNS) - 31/10/2023 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted, in the framework of a special legislative procedure (Parliament's consultation), the report by Olivier CHASTEL (Renew, BE) on the proposal for a Council directive amending Directive 2006/112/EC as regards VAT rules relating to taxable persons who facilitate distance sales of imported goods and the application of the special scheme for distance sales of goods imported from third territories or third countries and special arrangements for declaration and payment of import VAT.

As a reminder, the proposal seeks to adapt the EU VAT framework by expanding the range of supplies covered by the IOSS (Import One Stop Shop), Special Arrangements and deemed supplier regime by removing the EUR 150 threshold, which currently limits their application and effectiveness. Therefore, the IOSS could be used to declare and remit the VAT due on all distance sales of imported goods into the EU, irrespective of their value, but not including products subject to excise duties, which remain excluded from the scheme.

The committee called on the European Parliament to approve the Council draft without amendments.

VAT rules relating to taxable persons who facilitate distance sales of imported goods and the application of the special scheme for distance

sales of goods imported from third territories or third countries and special arrangements for declaration and payment of import VAT

2023/0158(CNS) - 17/05/2023 - Legislative proposal

PURPOSE: to advance the concept of a single VAT registration in the Union.

PROPOSED ACT: Council Directive.

ROLE OF THE EUROPEAN PARLIAMENT: the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

BACKGROUND: this initiative, together with the proposal for a Regulation of the European Parliament and of the Council establishing the European Union Customs Code, the European Union Customs Data Hub and the European Union Customs Authority, is part of a broad and comprehensive reform of the Customs Union.

In 2020, distance sales of imported goods in the EU-27 were estimated at EUR 29 billion. In addition, stakeholders indicated that a significant proportion of distance sales of imported goods - indicatively around 10-20% - exceeded EUR 150.

Under the 'deemed supplier' scheme provided for in the VAT Directive (Directive 2006/112/EC), where a taxable person facilitates, through the use of an electronic interface, distance sales of goods imported from third territories or third countries, that taxable person is deemed to be the deemed supplier of those goods.

The VAT Directive establishes a special scheme for distance sales of goods imported from third territories or third countries, known as the Import One Stop Shop (IOSS). However, IOSS is only available for distance sales of imported goods whose intrinsic value does not exceed EUR 150. The proposed reform of the customs framework creates a clear justification for removing the EUR 150 threshold, which currently limits the application of IOSS to distance sales of imported goods not exceeding EUR 150.

In addition, under the VAT Directive, where certain conditions are met, the special scheme allows postal operators, express carriers, customs agents and other operators who complete import customs declarations on behalf of the customer to declare and pay monthly the VAT collected on certain imports. The special scheme is limited to goods imported in consignments with an intrinsic value not exceeding EUR 150, excluding products subject to excise duty. Therefore, in order to reduce the compliance burden and costs associated with goods imported in consignments with an intrinsic value of more than EUR 150, the EUR 150 threshold should be removed.

PURPOSE: this proposal seeks to amend Directive 2006/112/EC as regards VAT rules relating to taxable persons who facilitate distance sales of imported goods and the application of the special scheme for distance sales of goods imported from third territories or third countries and special arrangements for declaration and payment of import VAT. It will further adapt the EU VAT framework by expanding the range of supplies covered by the Import One-Stop Shop (IOSS), Special Arrangements and deemed supplier regime.

The proposal includes three main elements:

1. it is proposed to **extend the application of the deemed supplier rule**, which is currently limited to distance sales of imported goods not exceeding EUR 150, to cover all distance sales of goods imported from a third territory or third country. This extension of the deemed supplier rule is achieved by removing the reference to the EUR 150 threshold. Under its expanded scope, the deemed supplier rule would therefore apply to all distance sales of imported goods into the EU that are facilitated by an electronic interface, irrespective of the intrinsic value of the consignment;

2. it is proposed to **extend the application of the IOSS**, which is currently limited to distance sales of imported goods in consignments of an intrinsic value not exceeding EUR 150, to **cover all distance sales of imported goods, irrespective of their value**. However, products subject to excise duty would remain excluded from the scheme. The extension of the IOSS would help to advance the concept of a single VAT registration in the EU by further limiting the instances in which a taxable person is required to register for VAT in another Member State. This extension of the application of the IOSS is achieved by removing the reference to the EUR 150 threshold;

3. the proposal would **extend the application of the special arrangements** which is currently limited to eligible imported goods of an intrinsic value not exceeding EUR 150, to cover all eligible goods. Products subject to excise duty would remain excluded from these arrangements. The extension of the special arrangements will help to advance the concept of a single VAT registration in the EU by further limiting the instances in which a taxable person is required to register for VAT in another Member State.

Lastly, this proposal is expected to **increase VAT revenues** for Member States as it will improve the collection of VAT. Between 2023 and 2032, the abolition of VAT registration obligations should generate savings of EUR 8.7 billion.

VAT rules relating to taxable persons who facilitate distance sales of imported goods and the application of the special scheme for distance sales of goods imported from third territories or third countries and special arrangements for declaration and payment of import VAT

2023/0158(CNS) - 08/07/2025 - Text adopted by Parliament after reconsultation

The European Parliament adopted by 623 votes to 26, with 28 abstentions, following a special legislative procedure (consultation), a legislative resolution on the draft Council directive amending Directive 2006/112/EC as regards VAT rules relating to taxable persons who facilitate distance sales of imported goods and the application of the special scheme for distance sales of goods imported from third territories or third countries and special arrangements for declaration and payment of import VAT.

The European Parliament **approved** the Council draft.

The directive aims to improve the collection of VAT on imported goods by making suppliers liable for the VAT paid on imports, which is likely to encourage them to use the one-stop shop for imports (IOSS).

The IOSS serves as a point of contact for importers of goods from third countries into the European Union. It aims to simplify the declaration and payment of VAT when importing goods into the EU, since it is only necessary to register in one Member State even when making sales throughout the EU.

VAT rules relating to taxable persons who facilitate distance sales of imported goods and the application of the special scheme for distance sales of goods imported from third territories or third countries and special arrangements for declaration and payment of import VAT

2023/0158(CNS) - 13/05/2025

The Council reached a **general approach** on the draft directive amending Directive 2006/112/EC as regards VAT rules relating to taxable persons who facilitate distance sales of imported goods and the application of the special scheme for distance sales of goods imported from third territories or third countries and special arrangements for declaration and payment of import VAT.

The European Parliament is consulted on the agreed text and invited to give its opinion.

The text of the directive on which the Member States have reached a general approach aims to advance the principle of a single VAT registration in the Union and focuses on measures to **encourage the use of the one-stop shop for imports (IOSS).**

Under the proposed directive, foreign traders or platforms will be made liable for import VAT and VAT on the distance sales of imported goods in the member state of the final destination of the goods. This will encourage use of the IOSS, as foreign traders or platforms that do not use it will need to be registered in each Member State.

The IOSS serves as a point of contact for importers of goods from third countries into the European Union. It aims to simplify the declaration and payment of VAT when importing goods into the EU, since it is only necessary to register in one Member State even when making sales throughout the EU.

In order to protect Member States' tax revenues, traders not established in the Union and not availing themselves of the use of the IOSS, should be obliged to designate a tax representative assuming all VAT obligations related to all eligible import consignments. However, that obligation should not apply if the trader is established in a country listed in Commission Implementing Decision (EU) 2021/9423 with which the Union or the Member State of importation has concluded an agreement on mutual assistance.

VAT rules relating to taxable persons who facilitate distance sales of imported goods and the application of the special scheme for distance sales of goods imported from third territories or third countries and special arrangements for declaration and payment of import VAT

2023/0158(CNS) - 22/11/2023 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 603 votes to 23 with 10 abstentions, in the framework of a special legislative procedure (consultation), a legislative resolution on the proposal for a Council directive amending Directive 2006/112/EC as regards the VAT rules relating to taxable persons who facilitate distance sales of imported goods and the application of the special scheme for distance sales of goods imported from third territories or third countries and special arrangements for declaration and payment of import VAT.

Parliament **approved the Commission's proposal** without amendments.

As a reminder, the proposal seeks to adapt the EU VAT framework by expanding the range of supplies covered by the IOSS (Import One Stop Shop), Special Arrangements and deemed supplier regime by removing the EUR 150 threshold, which currently limits their application and effectiveness. Therefore, the IOSS could be used to declare and remit the VAT due on all distance sales of imported goods into the EU, irrespective of their value, but not including products subject to excise duties, which remain excluded from the scheme.