

IOSS and Assisted Solutions Guide

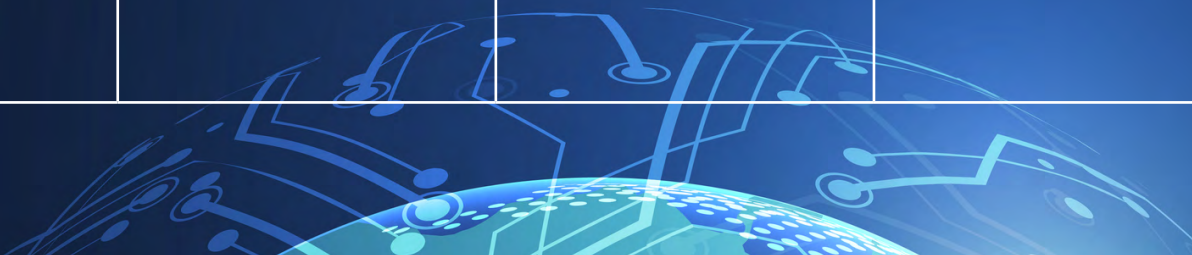


What are the solutions available to my business for sending items into Europe?

Sellers selling goods to consumers in the EU that arrive in the EU from 1 July 2021 have a few options to comply with the new VAT rules:

Options	Delivered Duties Unpaid (DDU)	IOSS- Sender Self-Registration	IOSS- Selling via a Marketplace	Assisted IOSS Solutions
	Sellers do not ask their customers for tax. EU recipient is contacted in country and pays VAT owed before receiving item.	Sellers registers for VAT themselves, via an intermediary, collects VAT and completes monthly tax returns.	Seller sells through a marketplace, so the marketplace takes on the responsibility for collecting and paying VAT on items with a value of 150 EUR or below.	Seller uses trusted partners to a) provide support in registering and completing tax returns, or b) completely take care of EU VAT compliance instead of the seller, to simplify the process for collecting and paying VAT on items with a value up to 150EUR.
Process involved	No action needed.	<p>Integrate a landed cost calculator or similar.</p> <p>Register for IOSS using a tax agent in one EU country to get an IOSS number.</p> <p>Register and get an IOSS number.</p> <p>Provide the IOSS number to Guernsey Post as part of the electronic customs data you normally complete for international items.</p> <p>Account for VAT and complete monthly returns.</p>	<p>Register to sell with a marketplace.</p> <p>Place your goods on their website.</p> <p>They may (but won't necessarily) take care of VAT obligations (for products up to 150EUR).</p> <p>You should provide the IOSS number to Guernsey Post as part of the electronic customs data you normally complete for international items.</p>	<p>Pay a fee to a third party to either</p> <p>1) Support you in registering and filing IOSS VAT returns for a fee; OR...</p> <p>2) Take care of VAT at point of sale and pay VAT obligations under the partner's IOSS number.</p> <p>You should provide the IOSS number to Guernsey Post as part of the electronic customs data you normally complete for international items.</p>

<p>Why do this?</p>	<p>Simple option that requires no change to now.</p> <p>Can help you to keep costs appear low at checkout.</p>	<p>Saves on third party costs and often uses in house tax expertise or resources where available.</p> <p>Better customer experience.</p>	<p>Marketplace takes care of VAT (for products up to 150EUR) and IOSS number.</p> <p>Offers broader market access.</p>	<p>Better customer experience-either way the VAT due is paid up-front.</p> <p>Peace of mind if wanting to register yourself for IOSS. Simplifies the process of filing and registering for IOSS and helps with compliance.</p> <p>Option for a 'per parcel model' to be simple to use with a third party dealing with all VAT obligations.</p>
<p>Challenges?</p>	<p>Unexpected costs for your EU recipient (VAT and handling fee).</p> <p>Customers can refuse to pay and item is returned which can be costly.</p> <p>Poor customer experience.</p>	<p>Specialist understanding and time is required to manage returns (handling enquiries with tax authorities, choosing where to register and file, deciding on an intermediary).</p> <p>Risk of issues when completing returns.</p>	<p>Reliance on the marketplace.</p> <p>Fees are taken from each sale (10% plus).</p> <p>Reduced control and brand recognition.</p> <p>Dosen't cover products over 150EUR.</p>	<p>Requirement to provide the right data to complete VAT returns, unless 'per parcel model' is used.</p> <p>The 'per parcel model' might be more costly-you need to consider the volume or parcels you send and whether you have the systems and processes in place to be able to provide the right data for your own IOSS returns.</p>



What is the “Import One Stop Shop” and who is it relevant for?

If you're an EU or non-EU ecommerce retailer selling goods valued at €150 or below that are shipped or dispatched from outside the EU to consumers in the EU, there are some important VAT changes taking effect from 1 July 2021.

These changes mean that there will no longer be an exemption for parcels valued up to €22 and therefore all the goods up to €150 you are selling will be subject to VAT, calculated at the local rate of the country in which the consumer is based.

Reporting VAT in lots of different EU countries could get quite complicated and cumbersome quickly, which is why the European Union (EU) has introduced a scheme called the “Import One Stop Shop” (IOSS).

IOSS allows you to register with just one of the 27 EU tax authorities, and to submit one monthly IOSS VAT return to facilitate the right payment of VAT to the other EU tax authorities in the countries where your consumers are located.

How can I use IOSS?

Sellers will be able to include their IOSS number in the Customs pre-advice form with all relevant parcels that are sent. Relevant parcels are business to consumer (B2C) consignments valued at up to €150 being sent from a non-EU country to an EU country.

What happens if I don't use IOSS?

If you have no solution at all in place, your EU consumers will have to pay the correct VAT plus handling / clearance fees before they can receive their parcel. This could result in the consumer refusing delivery of the goods, especially if they weren't aware about this cost when they made the purchase. If customers refuse delivery this could increase the risk of your goods getting lost in transit and cause additional costs.

If none of these options are suitable for you, please contact a member of the commercial team for support on 01481 726241

While we are not able to make any recommendations for assisted solutions, we are aware that Taxamo Assure offer an intermediary service please click [here](#) for more information

