



**ARTISAN**



*Everything Sellers Need To Know  
About The Import One Stop Shop (IOSS)*



If your business sells goods to the European Union, then the new changes in VAT rules that will be implemented on 1 July may affect you. This is the date when the Import One Stop Shop (IOSS) will open for businesses to use to manage VAT on their e-commerce sales. Artisan Account's information document tells you what you need to know.

## What is the IOSS?

The Import One Stop Shop (IOSS) is designed to overcome the barriers to online sales of non-EU located goods from non-EU based sellers and simplify the declaration of tax.

This is not to be confused with the One Stop Shop (OSS) which covers sales of goods which are already located within the EU at the time of sale.



## Why do we need IOSS?

Until now, businesses selling goods in any EU state were required to register for VAT in that state if their sales passed a certain threshold. This created administrative nightmares for businesses and arguably stunted the rate of trade growth. In addition, EU VAT rules allowed suppliers that are not established inside the bloc to provide goods VAT free where they fell below the VAT threshold.

This gave them an advantage over EU suppliers who may have been offering the same goods, but without this exemption.

New VAT rules came into force on 1 January that effectively blocked imports valued at less than €150 for many suppliers, who were obliged to register for VAT in each member state to which they were making sales. Although low value consignments of less than €22 were exempted.

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If you sell goods online valued at less than €150 to EU customers, you will need to register for VAT IOSS.

As a seller, you will need to apply VAT when selling the goods you are sending to EU member states. Online marketplaces, such as Amazon, will be responsible for collecting and paying over VAT on their sales.

To complicate things, you will need to appoint an intermediary in that Member State who will be responsible for making sure you comply with the requirements.

You should also be aware that there will be additional costs associated with VAT IOSS, which may mean it is not viable to export to the EU.

VAT rules which come into force on July 1st, 2021 are designed to rectify these issues.

Key changes are:

- Introduction of an Import One Stop Shop to cover distance sales of goods valued below €150 which are imported from third countries, including the UK.
- Scrapping of the VAT exemption for low value consignments of less than €22.
- VAT MOSS (Mini One Stop Shop) will be extended to cover more B2C services.



**If** you're affected by these changes, talk to us. We can help you get set up properly and meet your obligations on an ongoing basis.

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