

MY DUTY COLLECT

IOSS & VAT Intermediary

What is the Import One-Stop Shop (IOSS)?

The IOSS facilitates the collection, declaration and payment of VAT for sellers that are making distance sales of imported goods to buyers in the EU.

The IOSS also makes the process easier for the buyer, who is only charged at the time of purchase, and therefore does not face any surprise fees when the goods are delivered.

If the seller is not registered in the IOSS, the buyer has to pay the VAT and usually a customs clearance fee charged by the transporter at the moment the goods are imported in the EU.

Contact us to learn more about DDU/DAP solutions.

**THE IOSS FACILITATES THE
COLLECTION, DECLARATION
AND PAYMENT OF VAT**



Are you ready for IOSS?



From 1 July 2021 the value added tax (VAT) exemption for the importation of goods with a value not exceeding EUR 22 will be removed. As a result, all goods imported to the EU will be subject to VAT.

The Import One-Stop Shop (IOSS) was created to facilitate and simplify the declaration and payment of VAT for distance sales of imported goods with a value not exceeding EUR 150.

If your business is not based in the EU, you will normally need to appoint an EU-established intermediary to fulfil your VAT obligations under IOSS.

Your IOSS registration is valid for all distance sales of imported goods made to buyers in the EU.

Contact our IOSS team to find out how to register for an IOSS intermediary.



How does the IOSS work?

Sellers registered in the IOSS need to apply VAT when selling goods destined for a buyer in an EU Member State.

The VAT rate is the one applicable in the EU Member State where the goods are to be delivered.

Information on the VAT rates in the EU is available on both the European Commission website¹ and on the websites of national tax administrations.

What do you need to do if you use IOSS?

If you use IOSS you should do the following:

- › show/display the amount of VAT to be paid by the buyer in the EU, at the latest when the ordering process is finalised;
- › ensure the collection of VAT from the buyer on the supply of all eligible goods that have an EU Member State as their final destination;
- › make sure that eligible goods are shipped in consignments with a value not exceeding EUR 150;
- › to the extent possible, show on the invoice the price paid by the buyer in EUR;
- › submit an electronic monthly VAT return via the IOSS portal of the Member State where you are registered for IOSS;
- › make a monthly payment of the VAT declared in the VAT return to the Member State where you are registered for IOSS;
- › keep records of all eligible IOSS sales for 10 years;
- › provide the information required for customs clearance in the EU, including the IOSS VAT identification number, to the person declaring the goods at the EU border.

How can you register for IOSS?

You can register your business on the IOSS portal of any EU Member State from 1 April 2021. If your business is under IOSS.

Your IOSS registration is valid for all distance sales of imported goods made to buyers in the EU. not based in the EU, you will normally need to appoint an EU-established intermediary to fulfil your VAT obligations.

Taxable persons (suppliers and electronic interfaces) who are not established in the EU or in a third country with which the EU has concluded a VAT mutual assistance agreement need to appoint an intermediary to be able to use the import scheme.

Other taxable persons (i.e. the ones established in the EU) are free to appoint an intermediary, but are not obliged to do so.

Role of an intermediary

The intermediary needs to be a taxable person established in the EU. He has to fulfil all the obligations laid down in the import scheme for the supplier or electronic interface that appointed him, including the submission of IOSS VAT returns and payment of VAT on the distance sales of imported low value goods.

However, the supplier or the deemed supplier who appointed an intermediary remains liable for the VAT obligations, including the payment of VAT together with the intermediary.

Before being able to register a taxable person in the IOSS, the intermediary first needs to sign up in the Member State where he is established to be able to use the IOSS for suppliers making distance sales of imported low value goods.

He will receive an (IN) intermediary identification number enabling him to act as intermediary in the import scheme (Article369q(2) of the VAT Directive).

This number serves for that Member States the purpose of identifying the intermediary. However, this intermediary identification number is not a VAT number and cannot be used by the intermediary to declare VAT on taxable transactions.

Subsequently the intermediary will register in his Member State of identification each taxable person he represents and he will receive an IOSS VAT identification number in respect of each taxable person for which he is appointed (Article369q(3) of the VAT Directive). Member States may lay down rules or conditions to be imposed on taxable persons who want to act as intermediary in the IOSS (e.g. guarantees).

My Duty Collect IOSS Intermediary with the non-EU seller

How it works:

Non-EU Seller registers with MDC IOSS intermediary

Registration for IOSS intermediary

Online registration Requirements

- Business details, company name and registration number.
- ID of business owner.
- Signed (POA) Power Of Attorney.

Validation by MDC as IOSS intermediary

Approval process

- Financial risk assessment.
- KYC control process.
- Definition of deposit/ Escrow account agreement.
- Intermediary link.

Monthly VAT/IOSS declaration

Monthly VAT Returns

- Merchant to provide Dataset of shipments including VAT of destination (consumption), provided by non EU seller to IOSS intermediary.
- Based on the declared VAT amounts (in datasets), a monthly tax declaration will be sent to the tax authority on behalf of seller.
- Based on the declared VAT the VAT amount will be transferred to the tax authority on behalf of seller and recorded by MDC.

MDC IOSS intermediary declares and accounts VAT



If you have any queries or if you are seeking IOSS representation within the EU.

Please contact: ioss@mydutycollect.eu

ioss.mydutycollect.eu

 [mydutycollect](#)