

## **THIS IS NOT A MARKETING MESSAGE**

**A new simplified EU VAT regime “IOSS” (International One Stop Shop) is scheduled to come into force on 1<sup>st</sup> July 2021 for parcels <€150 that are shipped to consignees in EU member states.**

**The changes impact transporters such as OCS as well as retailers, brands, marketplace sellers, intermediaries such as software providers, 3PLs and “Electronic Interfaces” (aka marketplaces).**

**Shippers that wish to use the OCS Premium EU DDP service will need to register for IOSS and provide their registration details to their OCS Account Manager ahead of the effective date.**

*This document provides a simple guide to this significant change along with advice on how to prepare. Individual situations vary considerably so while OCS can support with practical advice on how to comply with the new regime from a transporters perspective we are not tax advisers. Retailers are encouraged to take specialist advice and guidance from trade or taxation specialists as required.*

### **OVERVIEW**

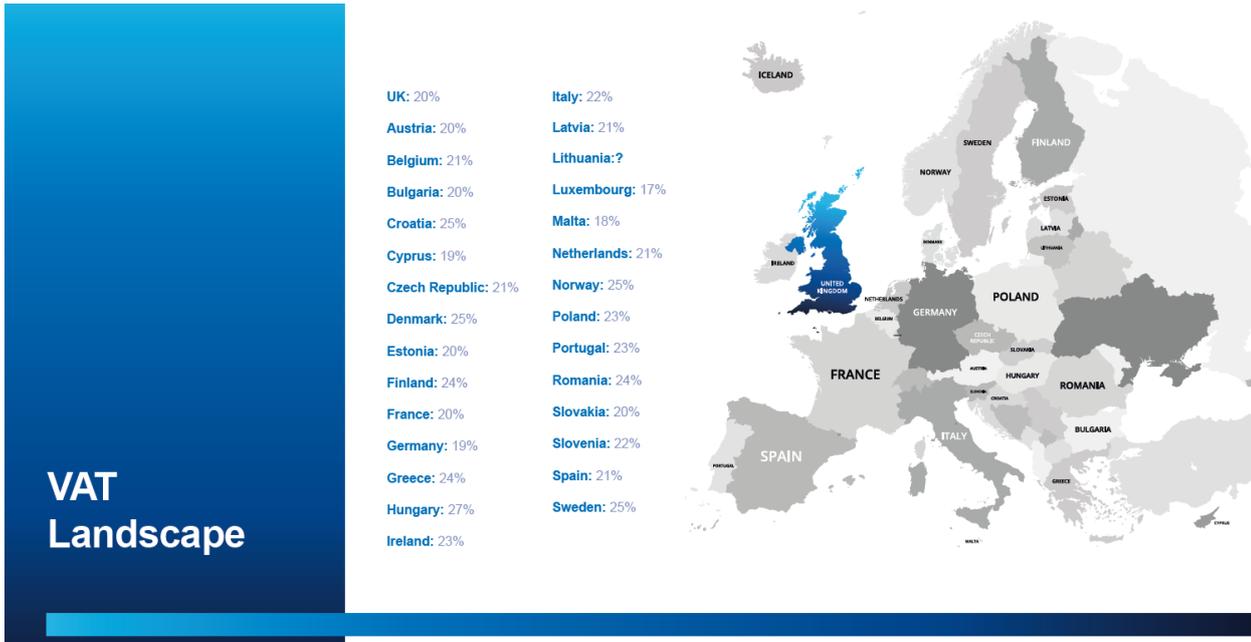
Deployment of the new IOSS VAT regime has been delayed once already and there is potential for the effective date to be delayed further but this should not deter retailers from urgently taking action to register and prepare for IOSS. Previously under “Distance Selling” regulations overseas retailers were required to register for VAT in any EU market where their sales exceeded the threshold for each member state, meaning multiple VAT numbers and VAT returns would have to be administered when significant levels of sales are made in more than one EU country.

Under the IOSS regime a retailer can register for VAT in a single member state provided they have “fiscal representation” in the market in which they chose to register. This allows for VAT to be collected at the checkout and remitted through a single EU VAT return. Another benefit for retailers is that there will no longer be a requirement for import VAT to be collected at the EU border when presented for import clearance.

A significant point to consider is that in order for the border VAT to be deferred in this way retailers will need to collect the VAT at the check-out using the rate of the consumption country for each member state in order to collect and remit IOSS VAT correctly. 3<sup>rd</sup> party systems such as Metapack or Shopify will no-doubt be deploying updates to enable correct VAT collection so please engage with your systems providers to check you are ready and on the latest version of their systems. IOSS will remove the <€22 VAT exemption recognised in some member states for low value parcels imported into the EU.

More info on IOSS can be found on the European Commission website by clicking [here](#).

## EU VAT RATES (CURRENT)



IOSS registration will be mandatory for the OCS DDP service so please take action to register if you have not done so already. Unregistered shippers will be limited to Postal (DDU) services until such time as they can supply OCS with their IOSS registration details. For additional information contact your OCS Account Manager or our Customer Service team who will be happy to assist you.

### **OCS Worldwide, Heathrow - HQ & Global Export Gateway**

Global House, Poyle Road, Colnbrook, Berkshire SL3 0AY

### **OCS Worldwide, Coventry - Midlands Hub & Fulfilment Centre**

10 Padstow Rd, Coventry CV4 9XB

**+44 (0) 20 7640 3800**

[sales@ocsworldwide.co.uk](mailto:sales@ocsworldwide.co.uk)

[www.ocsworldwide.co.uk](http://www.ocsworldwide.co.uk)

