

# CFE – Panel 2 VAT and digital commerce

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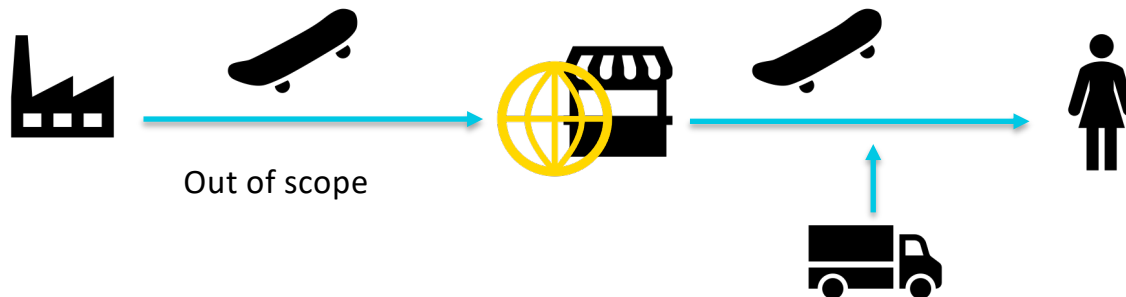
ERASMUS SCHOOL OF  
**ECONOMICS**

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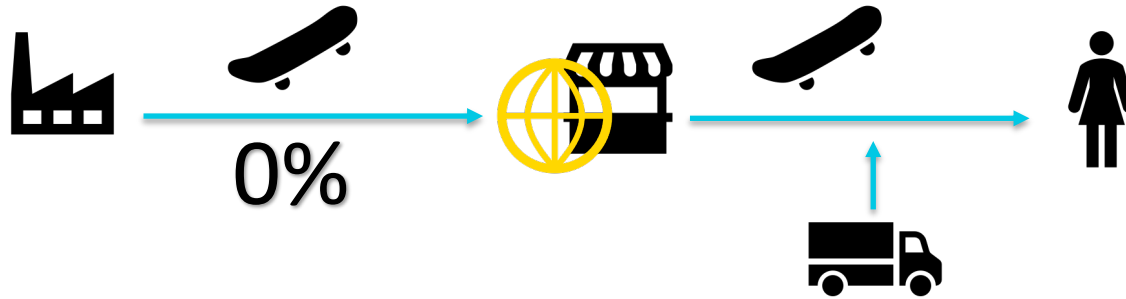


# Position of platforms



1. Distance sales of imported goods with an intrinsic value of not more than 150 euros.

# Position of platforms



2. EU distance selling and local supplies by a supplier located outside the EU

# Accounting and administrative obligations

Obligations (I)OSS  
or local  
requirements

Deeming  
provision  
applies

Deeming provision  
does not apply

Bookkeeping  
obligations art. 54c  
paragraph 2 VAT  
Implementing  
Regulation

# Obligations art. 54c paragraph 2 VAT IR

(a) the name, postal address and electronic address or website of the supplier whose supplies are facilitated through the use of the electronic interface and, if available:

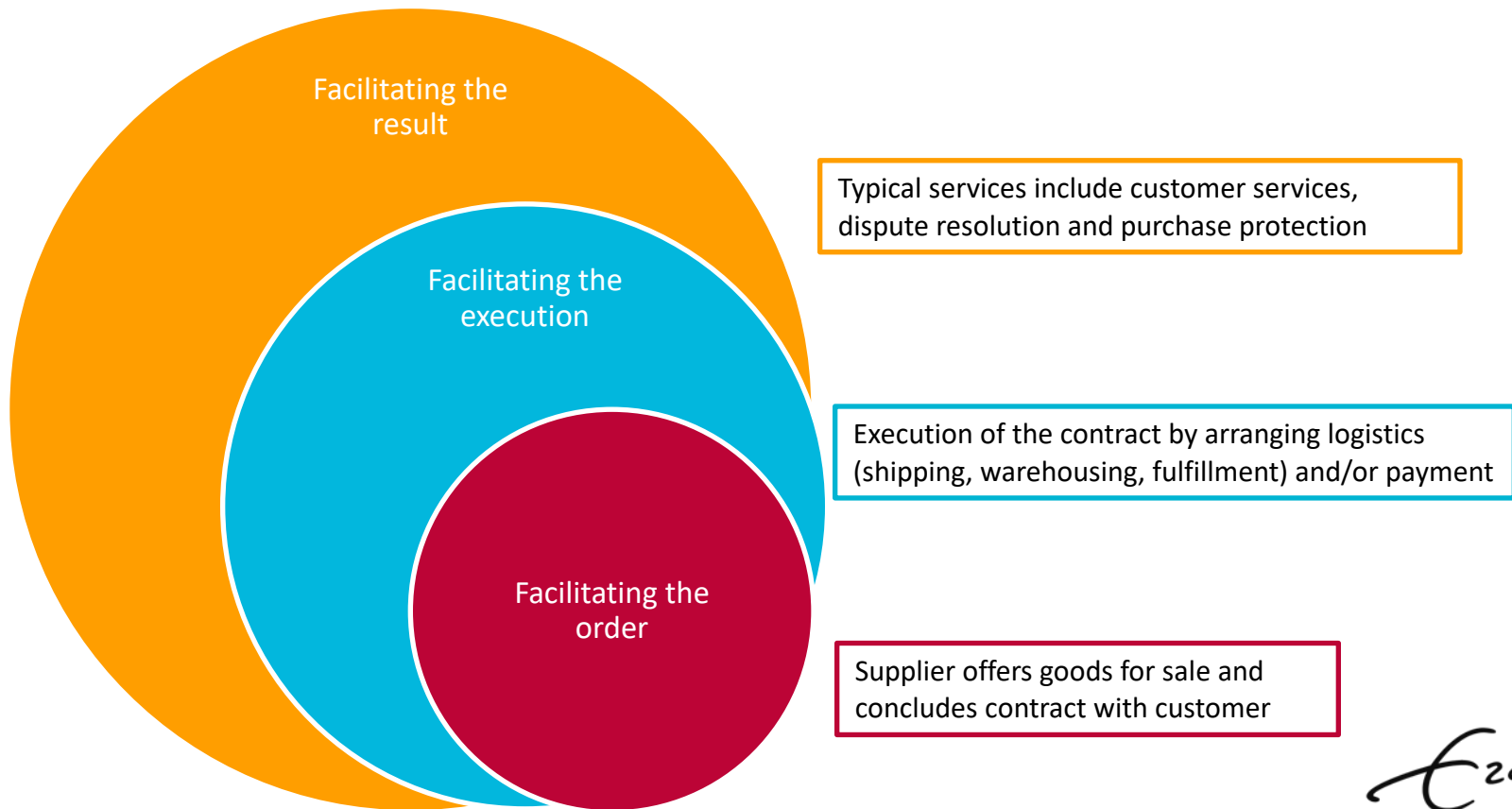
(i) the VAT identification number or national tax number of the supplier;

(ii) the bank account number or number of virtual account of the supplier;

(b) a description of the goods, their value, the place where the dispatch or transport of the goods ends, together with the time of supply and, if available, the order number or unique transaction number;

(c) a description of the services, their value, information in order to establish the place of supply and time of supply and, if available, the order number or unique transaction number.'

# Type of platforms



# The concept of facilitating

- Art. 5b VAT Implementing Regulation

Facilitating = the use of an electronic interface to allow a customer and a supplier offering goods for sale through the electronic interface to enter into contact which results in a supply of goods through that electronic interface.



Facilitating the  
order

# Actions to be taken because of deeming provision

- Set up new internal processes in order to be able to determine for each supply which they facilitate where the goods are located at the time of the supply and what the value of the supply is
- If in scope of deeming provision:
  - Consider self-billing arrangements for B2B-supplies to the platform next to their own invoicing obligations for the supply to the consumer
  - Budget costs and risk of remitting VAT
  - Develop strategies to prevent new risks of fraud (demonstrate negative fact under safe harbor provision)
  - Set up a process to deal with refunds of VAT in case of returned goods



# Actions to be taken because of art. 54 (2) VAT IR

- Determine the taxable status of the customer and determine its location
- Collect name, postal address, electronic address or website from the supplier
- Collect information about the goods that have been put up for sale on the platform

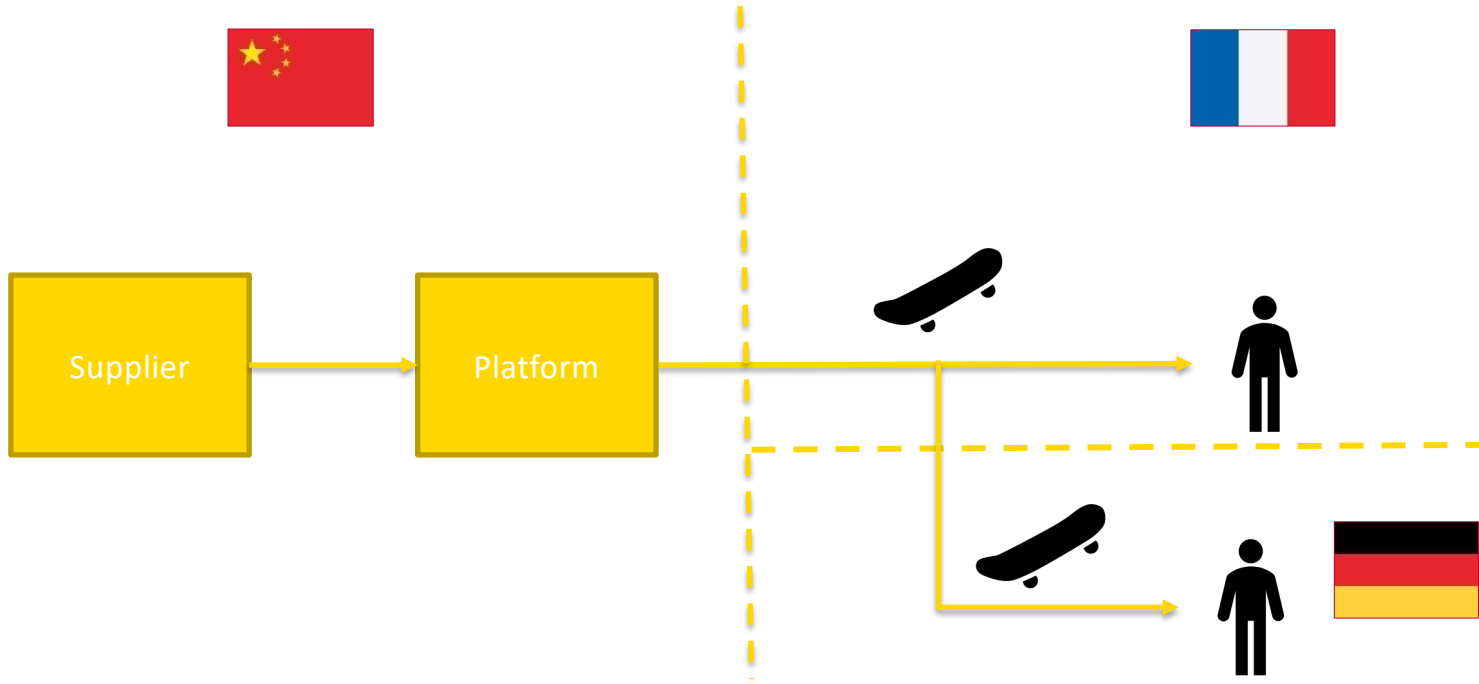
# High impact on platforms facilitating the order

**High impact** = platform is unable to comply or administrative burden makes platform loss-making including the need to change its business model or if it may need to ask information from the users operating on the platform that may result in those users leaving the platform

For platforms only facilitating the order **high impact** as regards:

- Set up new internal processes in order to be able to determine for each supply which they facilitate where the goods are located at the time of the supply and what the value of the supply is
- Develop strategies to prevent new risks of fraud (demonstrate negative fact under safe harbor provision)
- Set up a process to deal with refunds of VAT in case of returned goods
- Collect information about the goods that have been put up for sale on the platform
- Platforms will need to be involved in the execution and maybe even in the result phase of the transaction (e.g. for returned goods and refund)

# The great escape?




# Use of I-OSS

- Imports
  - Exemption
- Supplies
  - Subject to EU VAT in the EU MS of destination (France and Germany)
  - Platform reporting the VAT due on supplies in the I-OSS VAT return

# No Use of I-OSS

- Imports
  - Subject to VAT
  - Note: release for free circulation in EU Member State different from EU MS of destination not allowed → goods for German customers under transit procedure to be imported in Germany
  - Payment of import VAT
    - Standard procedure
    - Special arrangement for postal and courier companies
- Supplies
  - In case of import in name of customer no EU VAT



Platform liable  
to pay import  
VAT under art.  
201 VAT-D

*Erasmus*

Food for thought  
Thank you!