

New 2015 VAT rules The single place of compliance or "Mini One Stop Shop"

**European Commission
DG TAXUD**

Patrice PILLET



The Mini One Stop Shop Definitions

- ❑ Member State of Identification : the country where the business is registered (single place of compliance)
- ❑ Member State of consumption : the country which is entitled to charge VAT (e.g. Italian VAT is applied for consumption by Italian customers)
- ❑ Member State of Establishment : the country where an EU or a non EU business has another presence (nexus)

- ❑ Member State (MS) : any Member State country of the European Union. To be noted that European countries such as Switzerland, Norway or Iceland are not part of the EU

The European Union

- ❑ **EU Countries** : Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden & United Kingdom
- ❑ Currency of the European Union : **Euro, EUR (€)**
- ❑ **Countries that have not yet adopted the euro** (situation on 01.01.2015): Bulgaria (lev, BGN), Croatia (kuna, HRK), Czech Republic (koruna, CZK), Denmark (krone, DKK), Hungary (forint, HUF), Poland (zloty, PLN), Romania (lei, RON), Sweden (krona, SEK) & United Kingdom (pound, GBP)





The Mini One Stop Shop

2 different schemes

- ❑ EU and non-EU schemes :
 - ❑ EU scheme : for EU based vendors or non EU vendors (physically not present and registered for VAT in the EU),
 - ❑ Non-EU scheme : for non EU vendors not registered in the EU.
- ❑ One single place of registration:
 - ❑ Non-EU scheme: choice of the MS of identification
 - ❑ EU scheme:
 - in the MS where the vendor is established
 - ❑ In case of a non-EU vendor with an establishment in the EU, where the vendor has that fixed establishment (choice if several).
- ❑ Rest of the presentation: focus on the non EU scheme



The Mini One Stop Shop Main principles

- ❑ Registration will open on 1 October 2014
- ❑ Registrations take effect from the first day of a calendar quarter, except for start of activity.
- ❑ Allocation of one single individual VAT identification number (EUXXXXXX).
- ❑ Scheme not available if you are already VAT registered in the EU.



The Mini One Stop Shop

Main principles

- ☐ Exclusions from the MOSS:
 - ☐ Voluntarily opt out
 - ☐ Cessation of relevant activities
 - ☐ No longer meets the necessary conditions
 - ☐ Persistent non-compliance with the rules
- ☐ Only the country where you are registered can take the decision of exclusion
- ☐ Quarantine (period before re-registration) in some cases
- ☐ If you choose not to apply the Mini One Stop Shop, you will need to register in all countries where you have B2C customers, and to apply all national VAT rules of those countries



The Mini One Stop Shop

Main principles

- ☐ One single standardised declaration
- ☐ In Euro
 - ☐ or in the currency of the EU country where you chose to register if that country is not a country using the Euro
- ☐ Corrections possible within 3 years on the portal
- ☐ Electronic portal in each EU country
- ☐ Electronic transfer of information between EU countries
- ☐ All MS have access to information on operators from the other EU countries
- ☐ Payment by the vendor: for all your EU sales, only pay to the country where you are registered
- ☐ VAT invoice to be sent to the customer (depending on the country of consumption) for those countries requiring invoices



The Mini One Stop Shop

Main principles

- ❑ Principle : Amount of VAT to be indicated or converted into Euro **on** the invoice (if any invoice) and declaring VAT in euros.
- ❑ If the customer is located in a non-Euro country : amount of VAT to be indicated or converted in local currency. Use latest European Central Bank rate to convert currencies
- ❑ If the vendor has chosen to register in a non-Euro country, reporting in local currency using latest European Central Bank rate to convert



The Mini One Stop Shop

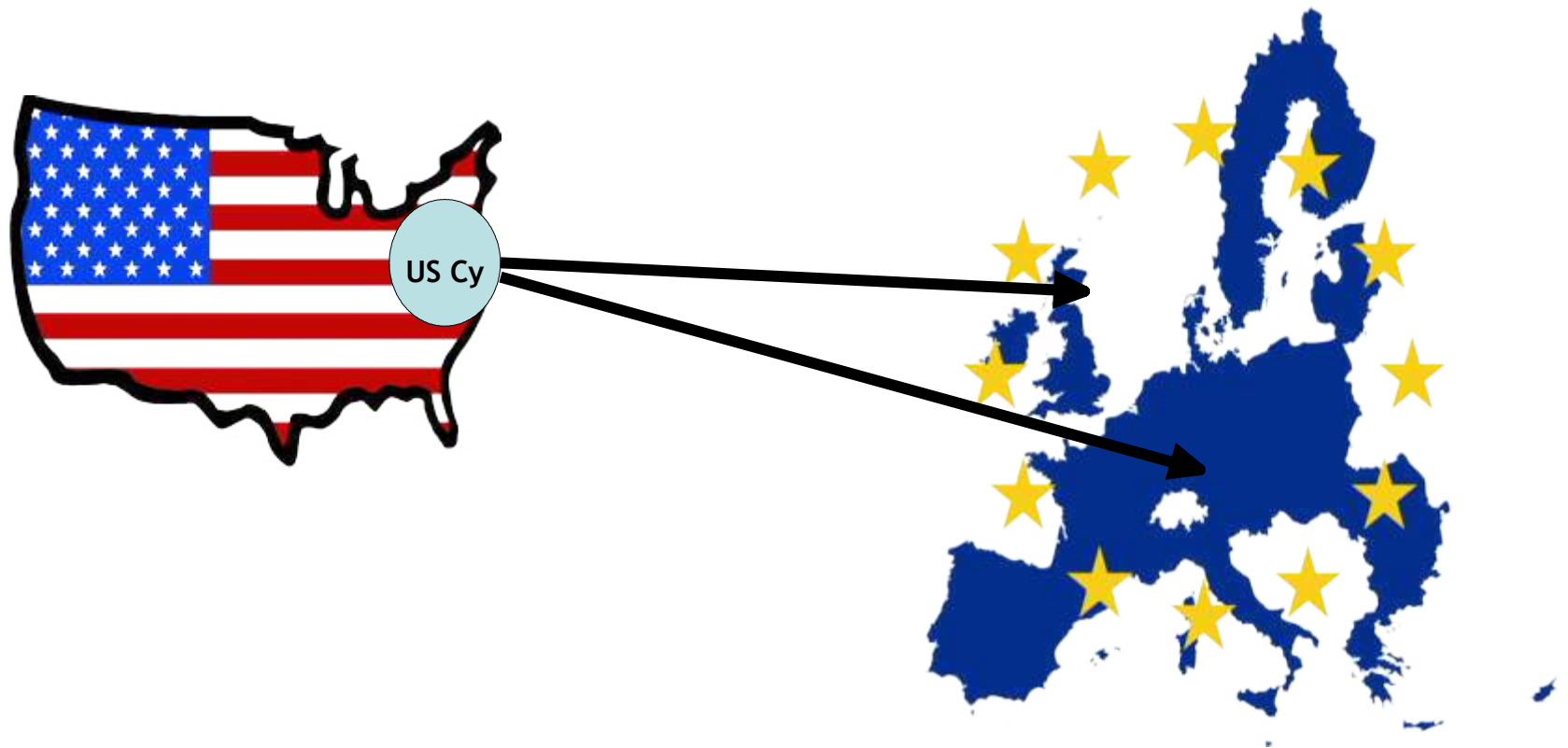
Main principles

- ☐ Records must be retained for 10 years
- ☐ Standardised list of records to be kept for the Mini One Stop Shop
- ☐ You may receive requests for information either from the country where you are registered or from countries of consumption
- ☐ Controls and audits:
 - ☐ Responsibility of the country of consumption
 - ☐ But coordination by the country where you are registered in most cases
 - ☐ Frequency and language issues

The Mini One Stop Shop – EU scheme



The Mini One Stop Shop – non EU scheme

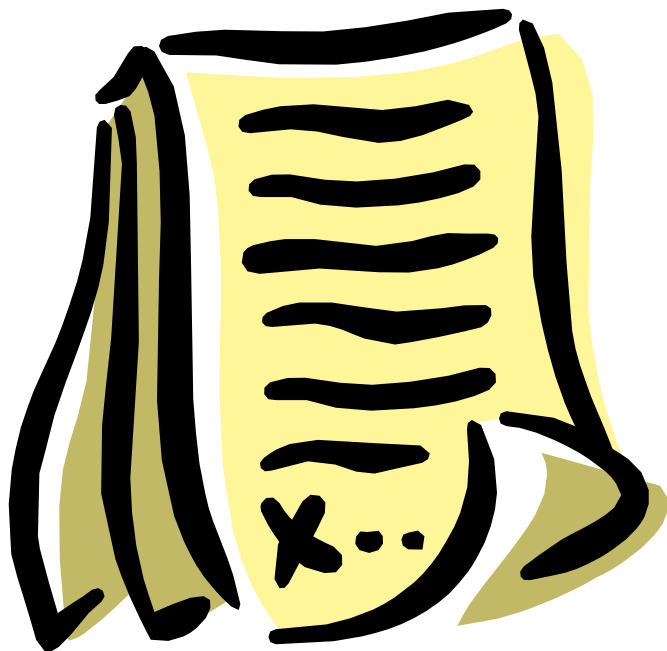




Conclusion

- ❑ Equal treatment between EU and non EU vendors
- ❑ Same rate applied (the one of the country of the customer)
- ❑ Same facility (mini One Stop Shop)
- ❑ Same obligations

Mini One Stop Shop return



- - *One single declaration*
- - *Multi-VAT rate (up to 27 %), multi-country*
- - *No declaration of exempt supplies*
- - *Standardised*
- - *Transfer of information between concerned MS*



Webportal for declarations debing built by each EU country

- ❑ Common IT specifications and minimum features adopted at EU level
- ❑ But each EU country is developping its own portal
- ❑ Coordination by the EU Commission

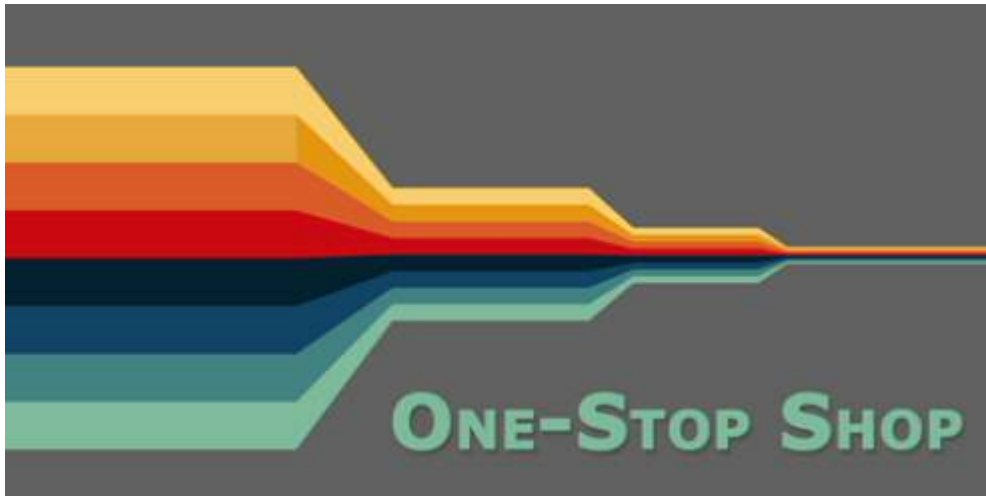
The MOSS guidelines

- *Practical guide developed by the Commission, in cooperation with EU countries,*
- *Not legally binding,*
- *Explanations of the main features of the MOSS*
 - **Registrations**
 - **De-registrations,**
 - **Returns,**
 - **Payments,**
 - **Other aspects (accounting...).**



Communication plan–2015 rules

- - *A Commission information Web portal (MOSS Webportal):*
 - **Legal rules,**
 - **Practical guidelines (MOSS guidelines, explanatory notes, audit guidelines),**
 - **Specific national rules (e.g. billing B2C),**
 - **Link to the 28 national MOSS webportals.**
 - **Embryo of a future wider EU VAT Webportal.**
- - *Several conferences in the EU and in the USA*



**Thank you for
your attention!**