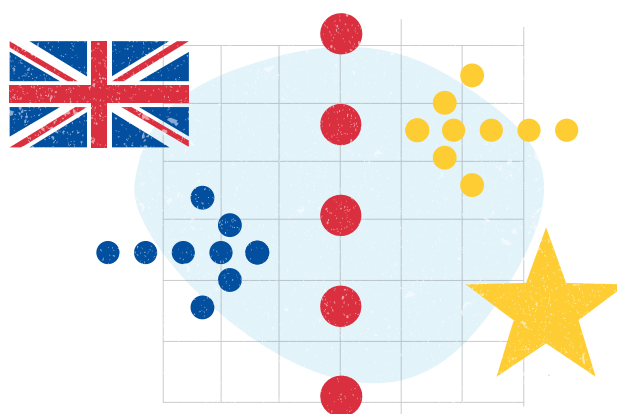


# Non-Union 'One Stop Shop' Scheme

As of 1 July, new VAT rules will come into effect for distance sales of goods (B2C) and cross-border supplies of services (B2C), replacing the existing cross-border business-to-consumer rules.

The mini One Stop Shop (MOSS), which was put in place on 1 January 2015, was only available to EU businesses. UK businesses moved onto the Non-Union OSS from 1 January 2021. From 1 July 2021 the Non Union OSS will cover a wider range of supplies.



## I supply services to consumers in the EU - how do the new rules affect me?

The Non-Union OSS scheme comes into effect on 1 July 2021 for supplies of services to consumers (B2C) where the place of supply is deemed to take place in the country where your customer belongs (e.g. supplies of telecommunication, broadcasting and electronic (TBE) services to consumers).

Where your supply is deemed to take place in the EU, you are normally required to register for VAT in the EU member state and charge your customer VAT in that country e.g. if you supply TBE services to a consumer in France, you are required to register for VAT in France and charge your customer French VAT.

The Non-Union OSS scheme provides a simplification where you will only need to register for the scheme in one EU member state, where you can account for VAT on other supplies made elsewhere in the EU.

## What is the difference between the current Non-Union OSS scheme, and the new Non-Union OSS scheme?

The current Non-Union OSS scheme only covers B2C supplies of TBE services. With effect from 1 July 2021 the Non-Union OSS scheme will be expanded to include all types of cross border services supplied B2C where the place of supply is in the EU.

## I am currently registered for Non-Union OSS in the EU - how will the new rules affect me?

You should not see any material difference in how you account for B2C supplies of TBE services, you will continue to submit your quarterly OSS return in the normal manner. You may, however, have additional services to include.

## I supply services to consumers in the EU of £2,000 per annum, do these rules apply to me?

If you supply B2C services, and your supplies are deemed to be supplied in the EU, the rules will apply to you. Established EU businesses have the benefit of a €10,000 threshold before they have to account for VAT in the country where their customer belongs, non-established businesses do not have this threshold and so the rules will apply regardless of the value of supplies being made.

## I have a business establishment in the EU - can I register for the Non-Union OSS scheme?

No. EU established businesses can declare their supplies of cross border services through the Union OSS scheme alongside any intra-EU distance sales of goods they may also supply. The Non-Union scheme is only for businesses who are not established in the EU.

## In which EU member state can I register for Non-Union OSS?

A non-established business can choose any EU member state in which to register for the Non-Union OSS scheme.

You can register electronically via a web-portal which was made available by each EU member state with effect from 1 April 2021.

You will be registered from the start of the next calendar quarter after you have registered for the scheme e.g. if you submit a registration application on 22 February 2022, you will be registered from 1 April 2022.

## In basic terms, how does the Non-Union OSS scheme work?

Once registered for Non-Union OSS, you will be required to charge VAT at the point of sale based upon where your customer belongs (e.g. if you are selling eligible services to a French customer, you will be required to charge French VAT at the point of sale).

The VAT you have collected at the point of sale, will need to be declared on your Non-Union OSS return. The Non-Union OSS return, and payment of the VAT, will need to be made to the fiscal authorities of the EU member state where you have registered for Non-Union OSS.

## How do I account for, and pay, the VAT collected at the point of sale?

You will declare all Non-Union OSS eligible supplies on your single Non-Union OSS return – so if you made eligible supplies to each of the 27 EU member states, you declare all of these on the single Non-Union OSS return.

If you are registered for Non-Union OSS in Ireland. You will be required to submit a quarterly Non-Union OSS return to the Irish authorities along with the VAT collected at the point of sale. The Irish authorities will then distribute the VAT payment you have made to each EU member state shown by your Non-Union OSS return, in the amounts shown by your Non-Union OSS return.

## Do I require an intermediary if I register for Non-Union OSS?

No, but you should check if there are other requirements on fiscal representation as these can change depending on the country.

## If I do not register for Non-Union OSS, what are my alternatives?

The Non-Union OSS has been introduced to simplify and lessen the administrative burden on businesses. If you make eligible supplies to a number of EU countries, the Non-Union OSS scheme only requires one registration enabling you to declare supplies made throughout the EU. If you do not register for Non-Union OSS, you will be required to register in each EU member state where you make supplies.

## What VAT rate do I charge to my customers?

You will need to charge the VAT rate applicable in the country of the customer / destination country, this may require you to update your website prices accordingly. It can be difficult to understand all the different rules and we would recommend seeking advice as soon as possible on this.

## How we can help?

We have experience in assisting businesses in international trade and can review which schemes would be advantageous to utilise. We are part of a global network and have associated firms across Europe who will be able to assist with any registration requirements, submission of returns and queries on VAT rates applicable.

## Contact us

Should you have any specific queries or require any further assistance please contact the VAT, Customs and Indirect Tax team at [VATAdvice@pkf-francisclark.co.uk](mailto:VATAdvice@pkf-francisclark.co.uk) and a member of our team will contact you.