

## EU VAT changes effective from 1 July 2021.

Here is a summary of the changes:

- From 1 July 2021, all commercial goods imported into the EU will be subject to VAT. The current VAT exemption for importation of goods up to €22 will be removed.
- All imports of goods into the EU will require a formal customs declaration.
- A new (optional) VAT collection scheme will be introduced for online sellers/online platforms, known as Import One-Stop Shop (IOSS) – which is only applicable for B2C transactions of goods with a value up to 150 EUR.

As of 1 July 2021, you can choose between the following options to pay VAT for goods imported into the EU:

- a. Without IOSS (for B2C or B2B | any goods value)
- b. With IOSS (only for B2C | only for goods up to 150 EUR)

For VAT payments without IOSS, you can continue to choose to pay duties & VAT on behalf of your customer, or opt for the payment to be collected from the recipient. This operates in the same way as it does today.

Please note that most shipments valued under €150 are not subject to Customs duties on arrival in the EU. This is separate to VAT and will continue to apply post 1 July 2021.