



Joint Paper

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Single VAT Registration in the EU: Towards a Unified VAT Solution

The need for a Single VAT Registration

Introduced on 1 July 2021, the VAT One-Stop Shop (OSS) has greatly simplified VAT compliance for businesses, especially for SMEs seeking to trade across the EU, as it allows businesses to register for VAT, file VAT returns and pay for the VAT due in multiple EU countries, via just one EU country. This is a fundamental and concrete simplification of what businesses have always found a complex VAT system.

However, the OSS can only be used for sales of goods or services to final consumers (B2C) by EU businesses selling cross-border within the EU. It does not apply to those traders that store and fulfil stock locally across the EU. This means that, despite the changes introduced by the VAT E-commerce Package, these businesses still have to register for VAT in every Member State in which they store goods, and file VAT returns, costing €8.000 every year for each EU country of storage.

We therefore welcome the proposal made by the European Commission in the “VAT in the Digital Age” package to extend the **VAT One Stop Shop to the transfer of own goods and onward B2C sales of those goods, allowing all businesses to report all EU supplies and inventory movements in a single VAT return, and removing the unnecessary VAT compliance burden.**

Benefits of a unified VAT solution

Simplifying VAT registration and compliance by extending the VAT OSS system will **lower the compliance costs** of companies selling goods online and **reduce administrative burdens**. Businesses would find it much easier and faster to register and pay VAT throughout the EU, with **easier access, particularly for SMEs, to intra-EU trade in the single market**. Equally important, it will allow EU traders to become **more competitive in an increasingly globalised and omnichannel retail environment**.

This will also **benefit member states’ tax administrations through improved VAT compliance** and a simple solution to ensure that all cross-border goods movements can be easily audited within a single OSS scheme. The expected **increase in trade** from this change will create **additional VAT revenues** to fund public services. And last but not least, end-consumers will benefit from a larger choice of products, more competitive prices and a faster delivery.



SIMPLIFY VAT FOR SMEs

Find out more at simplify-vat.eu



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