

# New VAT rules from 1<sup>st</sup> July 2021

**From 1st July 2021, VAT exemption for the importation of goods to the EU of a value up to €22 will be removed.**

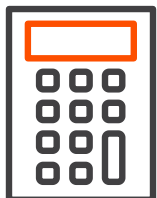
The Import One-Stop Shop (IOSS) offers a solution to businesses selling goods in the EU and to comply with this new VAT rule.



## What does the new VAT rule mean?

- **All goods** imported to the EU will be subject to VAT.
- VAT for goods up to a value of €150 must be charged at the point of checkout.
- The correct VAT rate is the local rate where the goods are to be delivered.

Previously	From 1 <sup>st</sup> July 2021	
UNDER €22	UNDER €150	OVER €150
<ul style="list-style-type: none"> <li>• No VAT</li> <li>• No customs clearance</li> </ul>	<ul style="list-style-type: none"> <li>• VAT</li> <li>• Formal clearance</li> <li>• Customs clearance fee</li> <li>• IOSS can apply</li> </ul>	<ul style="list-style-type: none"> <li>• VAT</li> <li>• Formal clearance</li> <li>• Customs clearance fee</li> <li>• Customs duties</li> <li>• IOSS can NOT apply</li> </ul>



## How to calculate the value of the good?

The value of the good is also referred to as **the intrinsic value**.

- This does NOT include the transport or insurance costs.
- If the intrinsic value of the good is under EUR 150 IOSS can apply.
- VAT, however, is applicable on transport and insurance costs.

Receipt A	Receipt B	Receipt C
Value of good: €100  VAT (20%): €20 Total: €120	Value of good: €100 Transport costs: €30 Insurance costs: €30  VAT (20%): €32 Total: €192	Value of good: €160 Transport costs: €30  VAT (20%): €38 Total: €228
IOSS can apply - As the intrinsic value of the good is under €150.	IOSS can apply - As the intrinsic value of the good is under €150.  The VAT rate is applied to the value of the goods PLUS the transport and insurance costs.	IOSS can NOT apply - As the intrinsic value of the good is over €150.  The VAT rate is applied to the value of the goods PLUS the transport and Insurance costs.

**You can register your business on an IOSS portal through any EU Member State**