



SimplyVAT%

# IMPORT ONE STOP SHOP

Get your orders through customs  
and to customers without a hassle



An aerial photograph of a busy port. On the left, a large blue and white container ship is docked at a pier. To the right of the ship, numerous stacks of colorful shipping containers (blue, red, orange, green, yellow) are piled high. In the foreground, a red gantry crane is visible. The water is dark and choppy.

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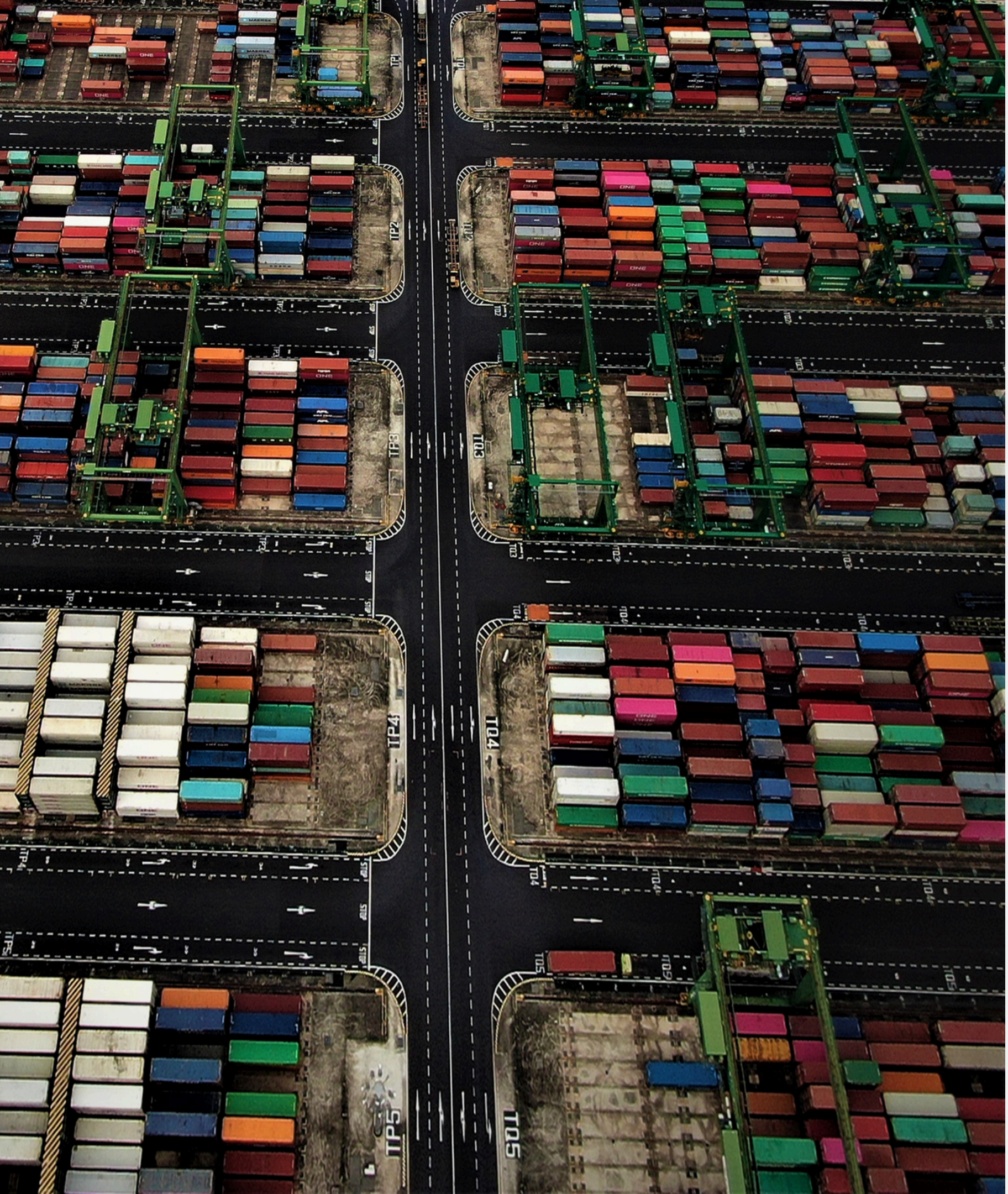
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*Port of Hamburg, Germany*





# IN BRIEF

Back in the old days (before July 2021), VAT across the EU was a bit complicated. Or rather, more complicated than it is now. Each Member State set a threshold at which you would have to register for VAT. They were all different and they changed depending on where your business was based. Basically, if you had a customer in every EU country, you'd have to register for VAT in every EU country and file a VAT return for every EU country. That's 27 VAT returns. Not even tax people want to do that much tax paperwork.

So, in comes the One Stop Shop schemes. They're VAT schemes designed by the EU to make things a little easier for everyone. Import One Stop Shop (IOSS) is one of those schemes. If you're registered for IOSS you can Import goods into the EU as long as:

- Your customer isn't a business
- The value of the package is 150 Euros or under
- Your goods are outside the EU at the point of sale

So, if you're a game designer and your long-awaited board game has a cult following in Europe, you can make sure everyone gets to buy a copy no matter where they're from. And you only have to file one tax return.

As with most things tax, it's more complicated than that, so we wrote this guide. We hope it answers all your questions. If not, you can always talk to someone at SimplyVAT – we're here to make things simple.



# WHAT IS IMPORT ONE STOP SHOP?

Import One Stop Shop (IOSS) is an optional EU VAT scheme. It allows you to report import VAT due on sales to customers all over the EU on one VAT return. IOSS was introduced in July 2021 with hopes that it would achieve some specific goals:

- Help bring the payment of VAT as close to the consumption of goods and services as possible
- Make cross-border trade simpler by unifying regulation
- Fight against VAT fraud
- Make competition fairer between EU and non-EU businesses
- Generate more revenue for Member States through fairer taxation

IOSS covers:

- B2C sales
- Goods that are outside the EU when they're sold
- Shipments with an Intrinsic Value €150 or below

Once you've registered for IOSS, you charge your EU customers their local VAT rate on orders with an intrinsic value of €150 or less. When their order gets to the EU, it's fast tracked through Customs, as you'll have already handled the VAT. You just report the sale on your monthly IOSS return and pass the VAT you've collected to the Tax Authority.

*The Port of Shanghai, People's Republic of China*







# DO I QUALIFY FOR IOSS?

Any business that wants to register for IOSS can (as long as you have good reason to). The scheme is optional, so it's up to you to look at your sales and decide whether you are (or will be) making enough qualifying sales to make registering worthwhile.

## Does a sale qualify for IOSS?

If you can say yes to everything on this list, your sale qualifies for IOSS:

- ☐ The sale is B2C
- ☐ The sale is of goods, not services
- ☐ The goods will be shipped in a consignment with an Intrinsic Value of €150 or less
- ☐ The goods aren't subject to excise duties

You can't use IOSS to report sales that don't meet all of these criteria.

## What is Intrinsic Value?

The Intrinsic Value of a shipment is the price your customers paid you for the goods you're sending them. It doesn't include shipping or insurance costs unless you included them in the price of the goods (if you displayed them separately, it doesn't count). Taxes and any other charges (like Import Duty) don't count towards the Intrinsic Value either.



# What IOSS Doesn't Cover

Using your IOSS number to ship goods not covered by the scheme or reporting sales that don't qualify on your IOSS return is fraud.

IOSS doesn't cover:

- B2B Sales
- Services
- Goods that are in the EU when they're sold
- Goods that are zero-rated or VAT-exempt in the destination country (the scheme is designed to collect VAT, and there isn't any in these cases)
- Goods subject to excise duty

IOSS has two sister schemes: [Union One Stop Shop](#) and [Non-Union One Stop Shop](#). They cover goods inside the EU at the point of sale and provision of services.

Cross-border B2B VAT is a bit complicated, so [get in touch](#) if you have questions, and we'll be happy to help.





# HOW DOES IOSS WORK?

Both independent businesses and marketplaces like Amazon can register for IOSS. How IOSS will work changes depending on where the sale takes place.

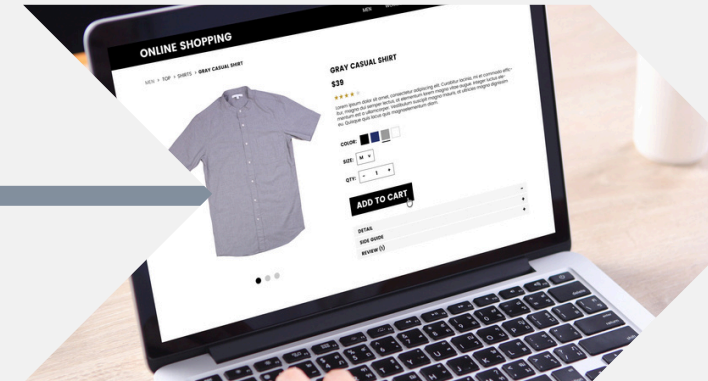
## Selling on your own website



You have goods outside the EU to sell to EU customers



You register for IOSS



You include your customer's local VAT rate in your prices



You collect VAT on orders with an Intrinsic Value of €150 or less



You ship the order, securely sharing your IOSS number to your shipping partner



The order reaches customs, and your IOSS number is verified in the EU database



The order is passed to a local courier and the delivery is completed



You report the sale on your monthly IOSS return, and pay the VAT to the Tax Authority

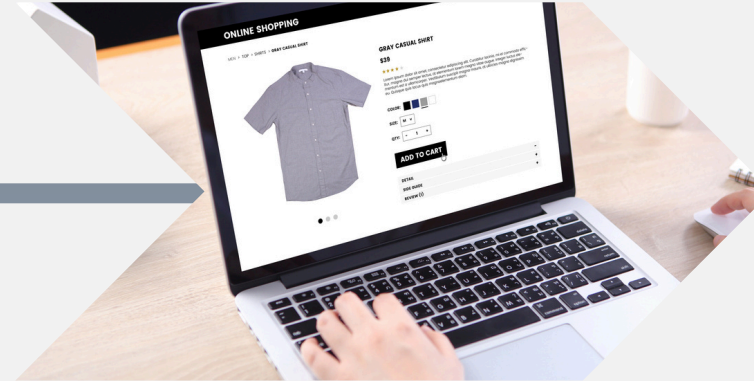


# Selling on a marketplace

Marketplaces bear the responsibility to collect and remit VAT on sales made on their platforms. This means you don't need to register for IOSS if you're exclusively selling goods outside the EU through a marketplace.



You have goods outside the EU to sell to EU customers



You put your goods for sale on a marketplace



When a customer places an order, the marketplace collects the VAT



You ship the order using the marketplace's IOSS number



The order reaches customs and your IOSS number is verified in the EU database



The order is passed to a local courier and the delivery is completed



The marketplace reports the sale on their IOSS return and pays the VAT to the Tax Authority



## Returned Goods sold under IOSS

IOSS hasn't changed any of the rules when it comes to returns or exchanges. When a customer returns goods you sold to them under IOSS, you'll reimburse the customer the VAT you charged them and amend your IOSS return to reflect that transaction. You'll need to hold onto receipts of the return for your records.

## Registering for IOSS

The process for registering for IOSS changes depending on where your business is based. For companies in the EU and Northern Ireland, you can register for IOSS with your local tax authority.

Companies based outside the EU need an intermediary to register for IOSS. Intermediaries are businesses established in the EU that pass your VAT payments to local tax authorities. They're jointly liable for the VAT you owe. Because of this, when you choose your intermediary, you'll be registering for IOSS in the country where they're registered.

For example, SimplyVAT is an intermediary. We're registered in Ireland, so if you decide to use us as your IOSS intermediary, you'll be registered for IOSS in Ireland.

Once you've registered for IOSS you'll be given your IOSS number. Once you have it, you have to use it for every IOSS eligible sale you make. Those sales must also be reported on your monthly IOSS return. The return has to show:

- The total taxable amount of each product you've sold, broken down by each EU country
- The total amount of VAT you've collected
- The VAT rate you've charged your customers

The state where you're registered will then share this information with each Member State you've listed on your return.

*Port of Long Beach, United States of America*







# IOSS ALTERNATIVES

There are two main alternatives to IOSS: Delivery Duty Paid (DDP) and Delivery at Place (DAP). Both require you to declare who is the Importer of Record (the person responsible for the Import VAT and Duty).

## Delivery Duty Paid (DDP)

Choosing to ship goods to the EU with DDP means you're the Importer of Record. You're responsible for the import documentation and all the import costs.

To use DDP, you'll collect the VAT from your customer at point of sale and ship them their order. When it reaches the EU border your carrier will pay the VAT due on your behalf. Your customer receives their order with no additional charges to them, and your carrier will bill you for the VAT (and usually a handling fee). You'll need to be registered for VAT in the country where your customer is located.

## Delivered at Place (DAP)

Under DAP (formerly DDU - Delivered Duty Unpaid), your customer is the Importer of Record. They take on the responsibility for all the fees associated with importing their purchase. When their order reaches the border, they're notified that they have VAT (and any other charges) to pay. Their order isn't released by customs until they've paid.



	DDP	DAP	IOSS
Pros	<ul style="list-style-type: none"><li>• Your customers aren't surprised by having to pay VAT and duties</li><li>• Orders make it through customs quickly</li></ul>	<ul style="list-style-type: none"><li>• You don't have to collect or report VAT</li><li>• You're not responsible for any other duties or fees</li></ul>	<ul style="list-style-type: none"><li>• Your customers aren't surprised by having to pay VAT and duties</li><li>• Orders make it through customs quickly</li><li>• You only need one registration to sell to customers all over the EU</li></ul>
Cons	<ul style="list-style-type: none"><li>• Risk to you is higher as you're responsible for all costs</li><li>• You'll need to raise your prices to cover the cost of the VAT and Duty</li><li>• It can get expensive if you're regularly shipping low-value orders or a high volume of parcels.</li><li>• If an order is returned it can be difficult to obtain a VAT refund</li><li>• You need to register for VAT in every EU country where you have customers</li></ul>	<ul style="list-style-type: none"><li>• When your customers aren't sure what their total cost will be, you lose sales</li><li>• Your customers can refuse to pay the VAT and duties, causing their order to be returned to you, wasting the time and money spent shipping their order</li></ul>	<ul style="list-style-type: none"><li>• You have to update your store(s) to show your EU customers the price inclusive of their local VAT rate, which can be complicated to manage</li><li>• IOSS only covers orders with an Intrinsic Value of €150 or less</li></ul>



# HOW TO MAKE YOUR STORE IOSS COMPLIANT

Once you've registered for IOSS, there are a couple of things you'll need to do to make sure your business is compliant.

## Update your Prices

In the UK and EU, we include the VAT amount in the display price, so you'll need to make sure your store is showing your customers the right amount. For example, you sell a trumpet for €100. When a potential customer in France looks at your store, they need to see the price with the French VAT rate (20%) included, which is €120.

It's up to you to decide which VAT rate applies to your goods. It's obvious in some cases, but in others it's decidedly complicated. Supplements, for example, change between standard and reduced rates, depending on what's in them and which country your customer is in. In this case, it's best to apply the standard rate until you've had your products reviewed by a [VAT expert](#).

It sounds like a lot of work, but most ecommerce platforms like Shopify allow you to customise your tax settings so this happens automatically. Enabling this doesn't just make your store compliant – it increases conversions. Customers can be confident about what the total cost of their purchase will be, making them more likely to make that purchase in the first place.

Marketplaces that are registered for IOSS already do this for products listed on their sites.

*Port of Manila, Republic of the Philippines*



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# Shipping and Logistics

Just like with your prices, whatever ecommerce platform you're using should have a place for you to input your IOSS number. This is the same if you're selling through a marketplace. If you're using Amazon FBA Pan-EU, for example, you'll find your tax settings in your Seller Central account.

If you're using [Shopify](#), you need to create a shipping profile for the EU first. Then you can go into Settings, then Taxes and Duties to input your VAT number.

The number needs to be included in shipping documents so that customs authorities know that the VAT has already been paid. If you're working with a logistics partner, make sure you communicate your number to them.

Make sure your IOSS number is being communicated to your shipping partners and customs authorities securely, and do not let others use your number. If other people use your IOSS number, you might end up liable for VAT on goods you didn't import.

*Port of Qingdao, People's Republic of China*







# IOSS BEST PRACTICES

- Automate your VAT calculation and collection where you can. It makes it much easier for you to stay compliant. Platforms like [Tribexa](#) have APIs that automatically pull your sales data from your store and calculate your IOSS returns for you.
- IOSS has big benefits for your customers, but you need to communicate it to them, or they won't know. Highlight on your website that VAT won't be charged at customs because it's included in the price - you'll see your conversion rate rise.
- Do not write your IOSS number on the outside of your parcels. Your number needs to be kept secure so it can't be used by others to import goods into the EU. If this happens, you'll be audited and might end up liable for the VAT due on goods you didn't import.
- If you're unsure what VAT rate to charge, best practice is to apply the standard rate until you've confirmed the rate with a VAT expert.
- In general, VAT rates don't change often but temporary changes, where certain products are moved into a different category, or given a special rate are not uncommon. Make sure to keep on top of the changes so your prices are accurate. Our [VAT Rates PDF](#) has all the VAT rates from across the EU and the UK. When things change, we send an update to everyone who's downloaded it!



# IOSS FAQs

## How long does it take to get an IOSS number?

If you haven't had an IOSS number before, we can get you registered in as little as three working days. So, if you start the process with us on a Monday, we can have your registration for you by Thursday. You can even get your IOSS registration ready to submit in as little as 30 minutes though our [express service](#).

## I'm registered for IOSS but I have an order over €150. What do I do with it?

You can't report orders with an intrinsic value of over €150 on your IOSS return. For orders over €150, you'll have to use regular customs procedures and choose an alternative, like Delivered at Place or Delivery Duty Paid.

## What happens with the sales I made before receiving my IOSS number?

You can't backdate your IOSS return, so make sure that you're keeping the records of your pre-IOSS sales separate. If you're shipping orders Delivery Duty Paid, you'll need to report those sales on your regular VAT returns.

## Is there a cap on the number of orders I can ship under IOSS?

There's no limit to the number of sales you make under IOSS, as long as they're below the €150 threshold.

*Port of Santos, Brazil*



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## THINK IOSS IS A GOOD FIT FOR YOUR BUSINESS?

Whether you're ready to get going or you still have some questions, we're here to help.  
You can [book a call](#) with a member of our team or [get your registration started](#) now.

### EMAIL

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*Port of Piraeus, Greece*