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IOSS Update: Double Taxation

What is the customer experience 6 months in from implementation of the new tax regulations within the EU for B2C ecommerce shipments?



Overall the regulation has proven successful for the EU countries, and in the majority of cases has provided to the consumer the desired outcome – no surprises or unexpected additional charges on receipt of their ecommerce parcels at the door. The IOSS taxation scheme requires the seller to collect applicable VAT from the buyer at point of sale, for all products valued under the threshold of €150.

The scheme was introduced by the EU so that ecommerce buyers were not required to pay any charges on receipt of their parcels, but there have been some challenges as Postal Operators struggle to improve IT platforms to cope with these changes.

Some consumers have been charged VAT and a postal administration fee on receipt of their shipments, despite having prepaid VAT at point of sale.

There is a mechanism for the ecommerce shipper to reclaim what is effectively double taxation by submitting a claim on subsequent IOSS returns which include a section for such corrections/claims for VAT overpayments.

It is not possible to reclaim administration fees that may have been charged by the destination postal operator.

Please contact your EU financial intermediary to determine what level of proof, if any, is required in order to submit claims for a refund of double taxed items.

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