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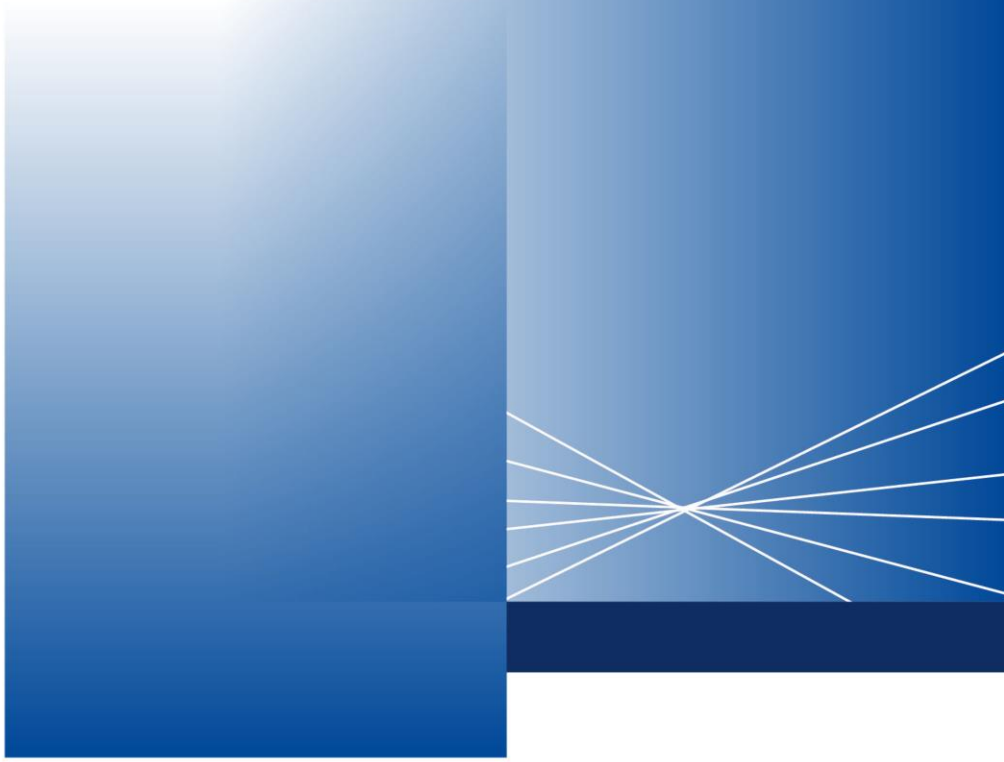

Guide with instructions and case studies in the context of the application of VAT in e-commerce

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Drafting:

1. Directorate General for Taxation (G.D.F.):
Directorate for the Implementation of Indirect Taxation (D.E.E.F.)
Department C' – VAT on electronic Commerce & Indirect Tax Issues in the EU and in International Bodies
Tel: 213-2122412, 415, 418, 420

2. General Directorate of Customs & Excise Duties (G.D.T. & E.F.K.):
Directorate of Excise Duties & VAT
Department E' – VAT on Import-Export
Tel: 210-6987417, 409

Editing:

Directorate General of Human Resources and Organization (G.D.A.D.O.)
Directorate of Organization
Department D' - Monitoring and Implementation of Administrative Legislation

1. Introduction

The VAT e-commerce legislative package, set in force on **1.7.2021**, extended the Mini One Stop Shop (MOSS), resulting in the creation of the **One-Stop Shop (OSS)**, which covers a wider range of supplies of goods and services and introduces further simplifications. These measures[1] were integrated into Greek legislation by Law 4818/2021 (Α΄124).

New rules:

- significantly simplify VAT obligations for businesses selling goods/providing services to final consumers (Business to Consumer – B2C transactions) in the context of e-commerce,
- strengthen competitiveness of EU businesses, and
- lead to a deepening of the European single market.

The extended OSS covers **three special schemes**, which are **optional**: the **non-Union** scheme, the **Union** scheme and the **import** scheme. The scope of the already existing non-Union scheme and the Union regime have been extended, while the Import Scheme (IOSS) is a **new** regime. These special schemes allow taxable persons to declare and pay the VAT due in Member States where those taxable persons are not established and to carry out distance supplies of goods/services via a web portal from the Member State in which they are registered (Member State of identification).

What is changing?

Until 30.6.2021, the MOSS scheme only applied to the supply of telecommunications, broadcasting and electronic (TBE) services. The following **changes** apply since **1.7.2021**:

- **Extension of the non-Union scheme** to **all** B2C services, instead of TBE services only.
- **Extension of the** Union **scheme** to:
  (a) **all** cross-border B2C **services** other than TBE services
  (b) intra-Community **distance sales** of goods; and
  (c) **domestic** supplies of goods carried out through electronic interfaces where their original supplier is **not** established in the European Union.
- **The electronic interface (platform) as a deemed supplier:**
  The electronic interface (platform) is considered – for VAT purposes – to have received and supplied the goods to the final consumer instead of the actual seller and **becomes liable for payment of VAT**.
  In particular, it shall be deemed to be a supplier in the following cases:

[1] Directives (EU) 2017/2455, (EU) 2019/1995 and (EU) 2018/1910

- **distance sales of goods** imported in the EU in consignments of an intrinsic value **not** exceeding EUR 150, irrespective of whether the taxable supplier is established inside or outside the EU and/or
- **intra-Community distance supplies of goods** and **domestic supplies of goods**, **irrespective of value**, in cases where the taxable supplier is **not** established in the EU.

- New single EU limit for 'distance selling'

Since 1.7.2021, a uniform **threshold of a maximum EUR 10.000** was introduced for all EU Member States covering cross-border **TBE services** and intra-Community **distance sales of goods, but not supplies of other types of services to customers in the EU.** Until 30.6.2021, this threshold only applied to TBE services.

In practice, for taxable persons **established in one Member State (MS)** carrying out **intra-Community distance sales of goods** and/or **provision of services** to non-taxable persons (consumers) in other Member States, this means that up to **EUR 10.000,** the place of supply **of the above** transactions remains in the Member State where they are established and they **may continue to charge VAT of the Member State of their establishment** or where the goods are located at the time of departure of dispatch or transport.

Once this threshold is exceeded, those taxable persons **must charge VAT of the Member State of consumption. In case the taxable person (service supplier or supplier of goods) has an establishment in more than one MS, the threshold does not apply, i.e. he is obliged to charge VAT of the MS of consumption on intra-Community distance sales of goods and/or supply of TBE services** to non-taxable persons (consumers) in other Member States **from the first Euro.**

- Calculation of the threshold (EUR 10.000)
The threshold of **EUR 10.000** covers **all** intra-Community distance sales of goods and/or TBE services to non-taxable persons in other MS, it **is a uniform threshold, i.e. its calculation includes the total amount of the above outputs supplied in all MSs of consumption.** For example, if a Greek company sells goods to private individuals in **Italy, France** and **Belgium**, **all** those supplies are included in the calculation of the threshold.
This threshold shall **be checked annually for the current and the previous calendar year.** If **the threshold is exceeded, the general rule applies and VAT is due in the Member State of the customer** on TBE services and in the Member State to which the goods are dispatched or transported in the case of intra-Community distance sales of goods and, therefore, taxable persons must **be registered in the OSS** or **registered in each Member State of consumption in order for the tax to be paid**.
In addition, the supplier may choose **to apply the VAT of the Member State of the customer,** before the threshold of EUR 10.000 is reached. For this to be done the submission of a **«Δ212» return** is needed, stating that he/she **chooses to charge VAT of the Member State of consumption**. In this case, providers/suppliers are **registered in the OSS** (or **alternatively they register in each Member State of consumption for the payment of the tax)**. By

submitting the above return to the Registry Service, they shall exercise their right to opt for taxation in the Member State of consumption and shall be bound by that choice for **at least** 2 full calendar years (ref**. Decision A. 1074/2022**).

1.1 Which transactions are covered by the new e-commerce schemes?

The new provisions on electronic commerce cover the following transactions:

1. **Distance sales of goods imported from third territories** or third countries by suppliers and deemed suppliers (see section 5)
2. **Intra-Community distance sales of goods** by suppliers or deemed suppliers
3. **Domestic sales of goods** by deemed suppliers
4. **Supplies of services by taxable persons not established within the EU or by taxable persons established within the EU but not in the Member State of consumption to non-taxable persons (final consumers).**

1.2 What are the advantages?

Without the OSS schemes, the supplier would be required to register in **each** Member State in which he supplies goods or services to his customers. However, if a taxable person is identified for a One Stop Shop scheme in a Member State (e.g. Greece), he may:

- **register for VAT purposes** electronically **in a single Member State** for all eligible sales of goods and services to customers located in all other **26** Member States
- **submit an OSS VAT return electronically** in order to declare the supplies of goods and/or services in the respective OSS scheme and pay the VAT due once. The VAT return shall be submitted **quarterly to the non-Union scheme and the Union scheme** and on a **monthly basis** to the import scheme. The returns submitted through the OSS, as well as the amounts of VAT paid, are then sent by the Member State of identification to the respective Member States of consumption via a secure communication network.
- **cooperate with** the tax administration of the Member State **in which he is registered** for the OSS, **in one language**, even if he sells in all EU Member States.

2. Definitions and concepts

- **Distance supply of services** – refers to the supply of services by taxable persons not established within the EU or by taxable persons established within the EU but not in the Member State of consumption, to non-taxable persons (final consumers).
- **Distance sales of goods** – refer to intra-Community distance sales of goods and distance sales of goods imported from third territories or third countries, as defined in Articles **47c** and **47d** of the VAT Code (Law 2859/2000, A' 248).
- **EU Member States** – countries within the EU where these VAT rules apply. These are the following countries: **Belgium, Bulgaria, Czechia, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland** and **Sweden**.
- **Third territories and third countries –** "third territories" are those listed in **Annex II (2)** of the VAT Code (Law 2859/2000, A' 248) and "third country" means any State or territory to which the Treaty on the Functioning of the European Union does not apply.
- **Products subject to excise duties** – are products subject to harmonized excise duties such as alcohol, tobacco and energy and national excise duties such as coffee.
- **The deemed supplier** – the taxable person who is deemed to have received the goods from the taxable supplier and to have supplied them to the final consumer. Thus, a deemed supplier has the **same** rights and obligations for VAT purposes as the supplier.

  Where a taxable person **facilitates**, through the use of an electronic interface such as a marketplace, platform, portal or similar means, distance sales of goods imported from third territories or third countries in consignments with an intrinsic value **not** exceeding one hundred and fifty (150) euro, and the supply of goods to another Member State, or within the country, by a taxable person not established within the European Union to a non-taxable person irrespective of value, then that taxable person shall be deemed to have received and supplied those goods (Article **5b** of the VAT Code).
- **Underlying Supplier** – is the taxable person supplying goods or making distance sales of goods imported from third territories or third countries via an electronic interface.
- **Intermediary –** is a person established in the EU designated by a supplier or deemed supplier carrying out distance sales of goods imported from third territories or third countries as the person liable for the payment of VAT and responsible for fulfilling the obligations set out in the IOSS (Import One-Stop Shop).
- **Intrinsic value**

  (a) for goods of a **commercial** nature, the price of the goods themselves when sold for export to the customs territory of the Union, **excluding transport** and **insurance costs**, unless they are included in the price and not indicated separately on the invoice, and **excluding** any other **taxes** and **charges** established by the customs authorities on any

relevant document; **(b)** for goods of a **non-commercial** nature: the price that *would have been* paid for the goods themselves if they were sold for export to the customs territory of the Union.

- **Low value** goods – goods in consignments the intrinsic value of which on importation **does <u>not</u>** exceed EUR 150 (excluding products subject to excise duty).
- **A taxable person not established in the EU** – means a taxable person who has neither his seat of economic activity nor a fixed establishment in the territory of the EU.
- **Mutual administrative assistance –** a procedure for the exchange of information between customs/tax authorities in case suspicions for fraud circuits arise in the context of audits being carried out.

3. Legal and Regulatory Framework for Electronic Commerce

3.1 European framework

- Council **Directive 2006/112/EC on the common system of value added tax** (as amended by Council Directive (EU) 2017/2455 and Council Directive (EU) 2019/1995).
- Council **Directive 2009/132/EC,** determining the scope of Article 143 (b) and (c) of Directive 2006/112/EC as regards exemption from value added tax on the final importation of certain goods (as amended by Council Directive (EU) 2017/2455).
- Council **Regulation (EU) No 904/2010,** on administrative cooperation and combating fraud in the field of value added tax (as amended by Council Regulation (EU) 2017/2454 and Regulation (EU) 2020/1108).
- Council **Implementing Regulation (EU) No 282/2011**, laying down implementing measures for Directive 2006/112/EC on the common system of value added tax (as amended by Council Implementing Regulation (EU) 2017/2459, Council Implementing Regulation (EU) 2019/2026 and Council Implementing Regulation (EU) 2020/1112).
- Commission **Implementing Regulation (EU) 2020/194,** of 12 February 2020 laying down detailed rules for the application of Council Regulation (EU) No 904/2010 as regards the special schemes for taxable persons supplying services to non-taxable persons, making distance sales of goods and certain domestic supplies of goods (as amended by Commission Implementing Regulation (EU) 2020/1318 and Commission Implementing Regulation (EU) 2021/965).

3.2 National legislation

Relevant provisions

- **Law 4818/2021**, which entered into force on **1.7.2021** (Article 66) Part A of Law 4818/2021 transposed into Greek law the provisions of Directives (EU) 2017/2455, (EU) 2019/1995 and (EU) 2018/1910 as regards VAT obligations for supplies of services and distance sales of goods. In particular, Articles 1-17 of Part A amended the VAT Code (Law 2859/2000). Article 18 repealed the provisions of Articles 20 and 21 of Law 1684/1987 (A΄ 18) concerning the VAT exemption for imports up to EUR 22.

Decisions

- **A. 1212/8.9.2021**: Designation of a competent authority and regulation of the procedure for registering, changing, deleting/exempting persons, under the special schemes referred to in Articles 47b, 47c and 47d of the Greek VAT Code.
- **A. 1242/3.11.2021**: Designation of a competent authority and the procedure for submitting the single VAT return, in accordance with Articles 47a, 47b, 47c and 47d of the VAT Code and regulating related matters where Greece is a Member State of consumption and/or a Member State of establishment.

- **A. 1074/9.6.2022:** Designation of the type and content of form Δ212 "Declaration of intra-Community distance sales of goods and supplies of telecommunications, broadcasting and electronically supplied services to other Member States" and the procedure for submitting it.
- **A. 1128/21.9.2022:** Designation of the competent authority, the method and procedure for the payment, reduction and refund of VAT due under the special schemes for e-commerce, the distribution of the respective tax amounts to other Member States of consumption, the accounting records kept and regulating relevant matters where Greece is a Member State of identification and/or a Member State of consumption.
- **A. 1152/27.10.2022** Procedure for the allocation of VAT identification numbers to taxable persons not established in the European Union for their registration under the special scheme provided for in Article 47c of the VAT Code.

Circular Notes

- **E. 2133/30.6.2021**: Customs import procedures and procedures for charging VAT on the importation of low-value goods (up to EUR 150) that have been the subject of distance sales since 1/7/2021 – Intra-Community distance sales of products subject to excise duties and consumption taxes.
- **E. 2138/5.7.2021**: Notification of provisions of Part A of the draft law of 1/7/2021 (a) transposing into Greek law the provisions of Directives (EU) 2017/2455, (EU) 2019/1995 and (EU) 2018/1910 as regards VAT obligations for supplies of services and distance sales of goods and relevant provisions and other provisions.
- **E. 2155/27.7.2021**: Notification of the provisions of Articles 1-18, 46 and 66 of Law 4818/18.7.2021.
- **E. 2202/27.10.2021:** Completion of Circular Note with ref.nr. E.2133/30.6.2021– shipments of items of the same value up to EUR 150 intended for operations (B2B transactions).
- **E. 2058/4.8.2022:** Clarifications concerning the submission of declaration Δ212, following the issuance of Decision A. 1074/2022 on the 'Declaration of intra-Community distance sales of goods and supplies of telecommunications, broadcasting and electronically supplied services to other Member States.

4. Special Schemes - Obligations - Case Studies - Frequently Asked Questions

4.1 Registration

- Who is registered under each of the three schemes: Non-Union, Union, Import Scheme?

In the **Non-Union scheme**, the taxable person registered provides services to non-taxable persons (final consumers), which are carried out in any EU Member State, including the Member State of Identification. Therefore, any Member State can be the Member State of consumption.

In the **Union scheme**, the taxable person registered conducts cross-border supplies of services to non-taxable persons (final consumers), carried out in a Member State in which the taxable person is not established, i.e., in a Member State where the taxable person does not have its business activity's headquarters nor a permanent establishment. Services provided to non-taxable persons in the Member State where the supplier is established are not declared in the Union scheme but in the national VAT return of the respective Member State.
A taxable person can also declare intra-Community distance sales of goods under the Union scheme, regardless of the Member State of arrival of the transfer. Therefore, each Member State can, in this case, be the Member State of consumption, including the Member State of registration, provided that the transfer of goods starts in another Member State.

The **deemed supplier** can, additionally, declare domestic supplies of goods (i.e., supplies where the commencement and completion of the transfer/dispatch of goods take place in the same Member State), regardless of whether he is established in this Member State or not. Thus, in this case, any Member State can be the Member State of consumption.

Non -union scheme	Union Scheme	Import Scheme
Taxable persons established outside the EU	• Taxable persons established within the EU (services and goods) • Taxable persons established outside the EU (goods only)	• Taxable persons established within the EU • Taxable persons established outside the EU (obligation to appoint a representative[2])

[2] If a taxable person is established in a third country with which the EU has concluded a mutual assistance agreement for the collection of VAT and carries out distance sales of imported goods from that country, he is not obliged to appoint an intermediary. (Currently such an agreement exists only with Norway)

-The concept of deemed supplier.

A **deemed supplier** is a taxable person who is not the actual supplier of certain goods but, because he facilitates the delivery of goods taking place between a supplier (underlying supplier) and a customer through the use of an electronic interface (e.g., marketplace, platform, portal, etc.), is treated as a supplier (solely and exclusively) for the purposes of VAT payment. This means that, for VAT purposes, he is considered to have purchased the goods from the underlying supplier and subsequently sold them to the customer.

The electronic interface (platform) as a deemed supplier:

In the **Union scheme**, the electronic interface (such as a marketplace, platform, portal), whether established within or outside the EU, is deemed to be a supplier for certain transactions and becomes liable for VAT payment when it comes to intra-Community distance sales of goods and domestic supplies of goods, regardless of value, provided that the goods have been put into free circulation in the EU, regardless of their value, and the underlying supplier is not established in the EU.

In Chapter 5, we will see that under the Import One-Stop Shop (IOSS) scheme, the electronic interface is considered the supplier **also** for supplies of goods in consignments with an intrinsic value not exceeding €150, which are delivered to a customer within the EU and are imported into the EU, regardless of whether the underlying supplier is established within or outside the EU.

How is registration for the special schemes of e-commerce done?

Registration for the special schemes is conducted electronically.

Registration applications from **non-EU taxable persons** who wish to register under the **non-Union scheme** (Article 47b of the VAT Code) are submitted electronically via the OSS application at https://www1.aade.gr/gsisapps5/oss/#!/home in order to obtain, via electronic means, an EU VAT identification number and simultaneously request access codes to TAXISnet services electronically.

Registration applications from taxable persons who wish to register under the **Union scheme** (Article 47c of the VAT Code) are submitted electronically through their existing TAXISnet account. The information already available to the Tax Administration, such as the business name, phone number, contact person, and postal address, will appear pre-filled.

In the case of a non-EU taxable person without an existing Greek VAT identification number, he must first submit an application for registration. Once a Greek VAT identification number is attributed and access codes to myAADE are provided, they can then apply for registration under the special scheme of Article 47c of the VAT Code, as stated above.

Is registration for the special e-commerce schemes mandatory?

Registration for the special schemes of Articles 47b (non-Union scheme), 47c (Union scheme), and 47d (Import One-Stop Shop, IOSS) of the VAT Code is **optional**.

Without the OSS schemes, service providers or suppliers would be required to register for VAT purposes in the registers of each Member State to which they deliver goods or provide services to their customers. However, when opting for the OSS scheme, the taxable person

must apply the scheme to all supplies of goods or services falling under the specific scheme in all relevant Member States. This implies that, **upon registration under the scheme**, the OSS scheme is applied to all supplies of goods or services to consumers in **all Member States** and not selectively to certain Member States.

Is there a threshold that taxable persons need to monitor for distance sales?
The changes that apply from July 1, 2021 in e-commerce involve cross-border B2C (Business to Consumer) transactions of goods and TBE (Telecommunication, Broadcasting, and Electronic) services being subject to mandatory taxation in the Member State of consumption if they exceed the threshold of **10,000 Euros**. Clarifications regarding the calculation of the 10,000 Euro threshold are provided in Circular E. 2058/2022 (ΑΔΑ: 6ΛΛΡ46ΜΠ3Ζ-8ΞΝ).
Therefore, when exceeding the aforementioned threshold, taxable persons are obligated to apply VAT of the Member State of consumption. To account for this tax, they must either register in Greece under the Union scheme (OSS – One Stop Shop) of Article 47c (47γ) of the VAT Code (Law 2859/2000, Government Gazette A', Issue 248), as outlined in Decision A.1212/2021 (Government Gazette B', Issue 4243), or register for VAT purposes in each Member State of consumption following the relevant national procedure.
The taxable person can also choose, before reaching the 10,000 Euro threshold, to apply the VAT of the Member State of consumption. If this choice is made, he will be required to submit the Δ212 Declaration (rel. Decision A.1074/2022), and he will be bound by this choice for at least two (2) calendar years, after which it may be revoked.
From the moment the Greek taxable person submits the Δ212 Declaration to the tax authorities, they opt to apply the corresponding VAT of the Member State of consumption before reaching the 10,000 Euro threshold. To account for this tax in the Member States of consumption, they must additionally, apart from submitting a Δ212 Declaration, ensure that they register in Greece under the Union scheme (OSS), according to the procedure defined in Decision A.1212/2021 or register for VAT purposes in each Member State of consumption following the relevant national procedure.

Submission deadline and duration of validity of the Δ212 **Declaration**:
The Δ212 Declaration for the choice of place of taxation in the Member States of consumption can be submitted any time during the year, but in any case, **before the first transaction takes place,** which will be subject to VAT at the applicable rate of the Member State of consumption.
The Δ212 Declaration will be mandatory for at least two (2) calendar years, after which it may be revoked. If the declaration is submitted by the 30th day of the first month of the year, it applies for both the current and the following calendar year, whereas if submitted after the 30th day of the first month of the year, it applies to the current year and the two subsequent calendar years.

- Time of submitting the registration application for the special schemes.
Applications for registration by taxable persons who wish to register for both the **Union** and **non-Union special schemes are submitted before the commencement of relevant transactions**. The **commencement date** for using the scheme, as mentioned above, is the

first day of the calendar quarter following the submission date of the registration application.
However, if a transaction subject to the aforementioned schemes occurs before the registration of those taxable persons under these schemes, the **registration application is submitted no later than the tenth day of the month following that first transaction**. The taxable person informs the Member State of identification to cover this transaction under the scheme by filling in the relevant field during the submission of the registration application through the respective platform. **In this case, the commencement date of the special scheme is the date of the first transaction**.
Regarding the **Import One-Stop Shop** (IOSS) scheme, registration applications are also submitted before the commencement of relevant transactions. The commencement date for the scheme, as mentioned above, is the day of granting the VAT/Tax Identification Number (TIN) to the taxable person or intermediary for each taxable person represented by them.

- Who cannot register for the special schemes of e-commerce?
Certain categories of taxable persons and intermediaries are **not allowed** to register for the aforementioned special schemes. These include:

- Those who are already registered under the corresponding special scheme in another Member State.
- Those who have been registered under the special schemes of Articles 47c and 47d of the VAT Code of another Member State, and the mandatory period for their selection of Member State of identification has not elapsed.
- Those who are in a period of exclusion from using all special schemes, in all Member States, according to the provisions of Article 58b of the Implementing Regulation (EU) 282/2011, as applicable from July 1, 2021.

Additionally, registration for the special scheme of Article 47d of the VAT Code (IOSS import scheme) is **not allowed**, either directly or via an intermediary, for the taxable persons who are using the special scheme for small enterprises (SMEs) under Article 39 of the VAT Code, unless they choose to deregister from the special scheme for SMEs.

4.2 Declaration Obligations - Single VAT Return

-Submission of the VAT Return in the Union and non-Union special schemes (OSS), as well as in the Import One-Stop Shop (IOSS) scheme.
The so-called **Single VAT Return** is electronically submitted via the OSS application on a **quarterly basis** for the non-Union and Union schemes, and on a **monthly basis** for the **Import scheme**.
If a taxable person chooses to use either the Union or non-Union scheme, he/she must declare all supplies of goods or services falling under the specific scheme through the Single VAT Return of the corresponding scheme.
The Single VAT Return is submitted for each tax period, either quarterly or monthly. If a taxable person registered under a special scheme has not carried out transactions during a

tax period and/or does not need to make corrections concerning previous tax periods, he/she is **required** to submit a **nil Single VAT Return**.
The competent tax authority transmits the information from the Single VAT Return electronically to each Member State of Consumption within 20 days from the end of the month during which it received the Return. In the case of a nill VAT Return, the information is stored locally in the Information Systems of the competent authority but is not transmitted to other Member States.

- Submission of VAT Return in Greece (Form F2)
The VAT Returns via OSS are supplementary and do not replace the VAT Return that a taxable person submits to the Member State where he is established or has a VAT number based on the respective national VAT obligations.
Greek taxable persons, exercise the right of deduction for expenses they have incurred (input VAT) through the domestic VAT Return.

- When is the Single VAT Return submitted in the Union and non-Union OSS schemes?
As previously mentioned, the tax period for the Union and non-Union OSS schemes is the calendar quarter, and the calendar month for the Import scheme. The Return must be submitted by the end of the month following the end of the respective tax period. For example, the VAT declaration for the Union OSS for the fourth quarter of 2022 can be submitted until January 31, 2023. The same deadline applies to the payment of the tax.
In the event that the deadline for submitting the return falls on a Saturday, Sunday, or on a public holiday, the submission and payment of the tax **are <u>not</u> extended** to the next working day (according to the second paragraph of Article 7 of Law 4987/2022 - A' 206). Additionally, there is no possibility of submitting the Single VAT Return before the end of the tax period covered by the Return.

- How are corrections for previous tax periods declared in the special schemes' returns?
In the special OSS/IOSS schemes, any corrections that may arise, whether positive or negative, in the numerical data of the submitted Single VAT Return are entered in a **subsequent return** in a specific field designated for corrections. Therefore, **the concept of an amended Single VAT Return does not exist**.
Corrections can be submitted within a deadline of three years from the expiration date specified for the submission of the Single VAT Return of the respective tax period (initial return). After the abovementioned three years, corrections cannot be submitted to Greece as Member State of Identification, but directly to the Member State of Consumption, in accordance with the national rules applicable in that Member State.

- Updating the Tax Authority about changes in registration details
The taxable person or intermediary acting on their behalf must inform the Tax Authority, no later than the tenth day of the following month, through their TAXISnet account, about any of the following:

a. Cessation of activities of the taxable person, which fall under one of the special schemes of Articles 47b, 47c, and 47d of the Greek VAT Code.

b. Any changes in their activities covered by a special scheme in such a way that they no longer meet the required conditions for inclusion in the respective special scheme.

c. Any changes in the information previously provided to the competent tax authority.

- How are documents (invoices) issued in another currency filled in the Single VAT Return?

The Single VAT Return is to be completed in euro, and the exact amounts are recorded without rounding to the nearest currency unit. If the supply of goods or/and services has been carried out in other currencies, when completing the return, the exchange rate on the last day of the tax period is considered, as published by the European Central Bank (ECB), or if there is no publication on that specific day, the exchange rate of the next day that has been published.

4.3 VAT payment

- Deadline for tax payment

When the taxable person submits a Single VAT return, a unique reference number and a payment code number («T.O.») is provided automatically by the competent authority (Section A2 – Special VAT Regimes in the context of e-commerce of the Local Tax Office of Foreign Residents and Alternative Taxation of Tax Residents), for that return. The full taxable amount is paid as a lump sum at the time of submission of the OSS VAT return and at the latest when the deadline for this submission expires, i.e. until the end of the month following the end of the tax period covered by the return.

Therefore, the **due day** for paying the tax in the context of the EU and non-EU regime (EU and non-EU OSS), is the **last day** of the month following the calendar quarter covered by the return, while in the context of the import scheme (IOSS), it is the last day of the month following the calendar month covered by the return.

Attention: Regarding the special schemes of e-commerce**, if the expiry of the tax payment deadline coincides with a public holiday, Saturday or Sunday, the deadline is not extended.**

- Methods of payment of the VAT due

The liable person pays VAT due to the collection agencies using the payment code number(«T.O.») choosing among different ways of payment, such as payment in a bank store, using payment cards through the I.A.P.R.'s online service (TAXISnet) or by using alternative means of payment provided by the above agencies.

In addition, liable persons who access the OSS application using TAXISnet credentials may also use credit, debit or pre-paid card in order to pay the tax.

Payments from countries within the Single Euro Payment Area (SEPA zone) can be made by sending a transfer via SEPA Credit Transfer in euros, while payments from countries outside

the SEPA zone, can be made by sending a transfer via SWIFT in euros. In both cases Bank of Greece is the recipient bank. (The IBAN and BIC account numbers of the recipient bank of the previous paragraph as well as the remittance information can be found in the decision **A. 1128/2022**).

If a liable person fails to pay the tax by using the payment code number (T.O.), then the payment is made by transfer to the account of the competent authority, which is kept at the Bank of Greece, with number in IBAN format GR8701000230000002001226697 and description account "SECTION FOR THE E-COMMERCE VAT SPECIAL SCHEMES". In the credit transfer order of the Greek State's account at the Bank of Greece the following must be mentioned:

Receiving Bank – BIC: BNGRGRAA (Bank of Greece)

Credit IBAN: GR8701000230000002001226697

Remittance information: the unique reference number of the submitted return must be entered in the remittance information field, in order to match the return with the amount paid.

Attention: Any bank expenses concerning the remittance sending are charged exclusively to the liable person, who cannot deduct them from the total amount of tax due.

- Late tax payment

When the taxable person or the intermediary acting on his behalf, has submitted a single VAT return, according to art. 47a of the Greek VAT Code, but no payment has been made or the payment is less than that resulting from the submitted return, the Member State of identification sends on the tenth (10th) day from the day after the expiry of the deadline for the payment electronically a reminder to the taxpayer, or his intermediary, of the unpaid VAT. At the same time, the Member States of consumption are informed for the reminder sent to the liable person or the intermediary.

For subsequent reminders and steps taken to collect the VAT, the relevant Member State of consumption shall be responsible, which has also the authority to impose penalties and charges relating to late submission of payment, according to its rules and procedures, while the relevant amounts ought to be paid from the liable person, directly to these Member States of consumption.

In case the amount paid includes VAT due in Greece (as a Member State of consumption), late payment interest is calculated according to Tax Procedures Code (TPC).

4.4 Accounting entries

Concerning the transactions carried out under the special schemes of e-commerce (art. 47b 47c and 47d of the Greek VAT Code), the taxable person or the intermediary acting on his behalf, registers the information provided for in art. 63c of the Implementing Regulation (EU) 282/2011, in a special file or in its accounting books. This information should be recorded in such a way that it can be readily available electronically, in a format according to the SAF-T standard or any other standard agreed between the taxable person and the competent authority or the Member State of consumption, in case of cross-checking or audit.

In addition, the aforementioned information as documents (invoices) of retail transactions is transmitted by the entities subject to art. 2 of the joint decision of the Deputy Minister of Finance and the Governor of I.A.P.R., A. 1138/2020 (B' 2470) to the digital platform of myDATA, for the update of the platform and the exploitation of the relevant data for targeting, cross-checking and control purposes.

- Keeping accounting records

Accounting records should be kept for a period of ten (10) years starting from the end of the year during which the respective transaction took place, regardless of whether the taxable person or his intermediary has ceased to use the scheme.

4.5 Deregistration / Exclusion from the e-commerce special schemes

- Deregistration/exclusion from registries

The competent authority compulsorily deletes/excludes the taxable person from the respective special scheme if one or more of the following cases apply:

1. He no longer meets the necessary conditions for his inclusion in the scheme, and in particular:
   - The taxable person who uses the non-EU scheme transfers his economic activity in a member state or establishes a permanent establishment in a member state.
   - The taxable person registered in one of the special schemes and for two years has not delivered goods or provided any services, covered by the scheme, in any Member State, he is therefore considered to have ceased his taxable activities.
   - An intermediary appointed by a taxable person to use the import scheme, has notified that he no longer represents that taxable person.
   - Systematically the taxable person does not comply with the rules concerning the respective regime.

2. Systematic **non**-compliance exists in the following cases:

   - When reminders have been sent to the taxable person or his intermediary, for the submission of returns, for the three immediately preceding tax periods and **no** VAT return has been submitted for the corresponding periods within ten (10) days from sending the reminder.
   - When payment reminders have been sent to the taxable person or his intermediary for the three immediately preceding tax periods and the entire amount has **not** been paid within ten (10) days of the sending of each of the said reminders, **unless** the unpaid amount does **not** exceed the amount of one hundred (100) euros, for each tax period.
   - When the taxable person or his intermediary has not communicated by electronic means its accounting records to the member state of registration within one month after being reminded by this member state.

- Period of Quarantine

Where a taxable person is excluded from one of the special schemes for persistent failure to comply with the rules relating to that scheme, that taxable person shall remain excluded from using any of the special schemes in any Member State for two years following the return period during which the taxable person was excluded. This penalty does not apply to taxable persons, as regards to the importation scheme, when the exemption is due to systematic non-compliance by the intermediary acting on his behalf (art. 58b of IR 282/2011)

- Voluntary withdrawal from the special scheme

If a taxable person registered to the non-EU or the EU scheme wishes to voluntarily withdraw from the special schemes, he must inform the competent authority at least fifteen (15) days before the end of the calendar **quarter** prior to the quarter he intends to stop using scheme. The suspension takes effect from the first day of the calendar quarter.

Accordingly, for the import scheme, the taxable person or the intermediary acting on his behalf, is obliged to inform the competent authority at least fifteen (15) days before the end of the **month** prior to the month he intends to stop using the scheme.

- Entry into force of the deregistration/exclusion (voluntary or mandatory)

The deregistration takes effect from the first day of the calendar quarter following the day on which the deregistration decision is sent by electronic means to the taxable person, unless the deregistration is due to a change in the seat of economic activity or permanent establishment, or the place where the dispatch or transportation of goods begins, where the deregistration/exclusion takes effect from the date of *this* change provided that the taxable person or his intermediary has informed both relevant Member States of registration at latest on the tenth (10nth) day of the month following this change.

The **deregistration** from the **import scheme** takes effect from the first day of the month following the day in which the decision of deregistration is sent by electronic means to the taxable person, unless this deregistration is due to a change in the seat of economic activity or permanent establishment, or the place where the dispatch or transportation of goods begins. In the latter case, the deregistration/exclusion takes effect from the date of this change provided that the taxable person or the intermediary has informed both Member States of registration the latest on the tenth (10th) day of the month which follows this change. When the reason for the deregistration is the systematic non-compliance of the taxable person with the rules of the import scheme, the above-mentioned deregistration takes effect from the day which follows the day in which the decision of deregistration is sent by electronic means to the taxable person.

4.6 Union and non-Union OSS scheme/questions – answers – examples

4.6.1 Questions and Answers

1. Which transactions are declared under the non-Union scheme?

Supplies of services to non-taxable persons carried out in the EU (including supplies of services carried out in the member state of identification).

2. Which transactions are declared under the Union scheme?

A) Supplies of services to non-taxable persons carried out in a Member State in which the taxable person (supplier) is not established.
All services supplied by a taxable person to individuals in a Member State where he has an economic activity or permanent establishment should be declared in the **domestic** VAT return submitted in that Member State and **not** in the OSS VAT return. However, if the services are supplied in a Member State where the taxable person is registered for VAT, but is not established, these services should be declared in the OSS VAT return.

B) In addition, any taxable person (whether established in the EU or not) may declare intra-Community distance sales of goods under this scheme. Supplies of goods from the Member State of identification when this is also the Member State of consumption must be declared on the corresponding domestic VAT returns, as they are **not** intra-Community distance sales of goods.

C) One taxable person must also declare his **domestic** delivery of goods for which he is the deemed supplier.

Non-Union Scheme	Union Scheme
Supplies of services	Supplies of goods • Intra-Community distance sales of goods • Domestic supplies of goods from deemed suppliers and supplies of services in a member state where the supplier is not established.

3. What information should be included in the OSS VAT Return?

Precise details for the completion of the OSS VAT return are cited in Annex III of the Commission Implementing Regulation (EU) 2020/194 (also referred to in the Annex of the Decision of A.1242/2020 (B' 5338). Basically, for each Member State of consumption, the

taxable person is required to include the taxable amount for supplies at standard and reduced rate, and the amount of VAT at standard and reduced rate.

4. VAT rates

The applicable VAT rates for each member state of consumption are published in the Taxes in Europe Database (TEDB) https://ec.europa.eu/taxation_customs/tedb/taxSearch.html. The taxable person or the intermediary acting on his behalf, is responsible for correctly completing the VAT return by changing the automatically calculated tax amount in case it is not correct. The verification of the correct completion of the OSS VAT return is carried out by the authorities of the member state of consumption.

5. What happens in case of an overpayment of VAT?

If the member state of identification finds that the amount paid by the taxable person is more than the amount resulting from the VAT return, the member state of identification returns the overpaid amount to the taxable person (ref. decision A. 1128/2022)

If the taxable person realizes that a mistake has been made in a VAT return and makes a **correction** in a subsequent VAT return which results to an overpayment to the Member State of consumption, then this Member State returns the overpaid VAT directly to the taxable person, provided that the Member State has made the relevant audit verifications and agrees to the correction.

6. Can the stock be considered as fixed establishment for the calculation of the limit of 10.000 euros?

According to the Guidelines of the VAT Committee, for the calculation of the limit of 10.000 euros in relation to the stock, the following apply:

- If the stock **is not considered as a fixed establishment**, intra-Community supplies from this stock consist distance sales carried out from the Member State in which the stock is kept. In such a case if the supplier wishes to include these sales in the OSS, **he cannot use the limit of 10.000 euros but must, from the first euro, be registered in the OSS**.
- If the **taxable person wishes to continue to use the limit of 10.000 euros in the Member State of establishment**, he cannot at the same time use the OSS for the distance sales from the stock he maintains in another member state. Sales from the stock will not be included in OSS. He should be registered with a VAT number in the member state(s) of consumption and pay VAT on the sales from the stock in accordance with the usual rules of the Member State of arrival of the goods.

7. What will happen if the OSS return is not submitted?

If the OSS return is not submitted till the end of the month following the tax period (the deadline for EU and non-EU scheme is the last day of the month following each quarter), the Member

State of identification issues a reminder on the tenth day after the expiry of the deadline for the submission of the return, and informs the other Member States accordingly.

Any subsequent reminders and actions for the calculation and collection of VAT are the responsibility of the Member State of consumption concerned.

8. How can a taxable person be deleted voluntarily from the OSS special schemes registry?

In order to deregister from the EU and the non-EU scheme, the taxable person is required to inform the Member State of identification at least fifteen (15) days before the end of calendar quarter prior to that in which he intends to cease using the scheme. In order to deregister from the import scheme, the taxable person (or the intermediary acting on his behalf) is required to inform the Member State of identification at least fifteen (15) days before the end of the month prior to that in which he intends to cease using the scheme.

9. Can a taxable person / intermediary move his place of business held in the Member State of identification, register for the scheme in another Member State, and continue using the same scheme (without interruption)?

The taxable person is required to deregister from the scheme in the current Member State of identification and register for the scheme in the Member State he moved his place of business. In this case, the date of deregistration from the former Member State of identification and that of registration in the new Member State of identification will be the date of the **change** (i.e. the date of the **relocation** of business to another Member State). The taxable person is required to inform **both** Member States (the old and the new Member State of identification) for the change no later than the tenth (10th) day of the month following the change.

10. Can a taxable person offset VAT on business expenses incurred in the Member State of consumption via the One Stop Shop VAT return?

No. VAT on business expenses incurred in the Member State of consumption cannot be offset against supplies of goods or services declared in the One Stop Shop VAT return. Those expenses must be claimed via the electronic VAT Refund Mechanism (Council Directive 2008/9/EC) or under the procedure governed by the 13th VAT Directive (Council Directive 86/560/EEC) VAT for taxable persons established in third countries (Greece has a reciprocity agreement with Switzerland, Norway and the United Kingdom) or via the domestic VAT return in case the taxable person is registered (but not established) in the Member State of consumption.

11. When a taxable person registers in the OSS scheme in Greece, does it mean that any VAT identification number attributed before 1.7.2021 (commencement date of the special e-commerce schemes) for VAT purposes in other EU Member States is automatically deleted?

No. As long as the taxable person is registered in Greece, is engaged in distance sales of goods/services and does not carry out other transactions for which he would have to submit VAT returns in other Member States, he should notify the competent tax authorities of the respective Member States in accordance with the relevant tax procedure for cessation of business and deactivation of the VAT identification number allocated in each one of these Member States.
Attention: For transactions that have been carried out before the taxable person's commencement date in the EU OSS scheme in Greece, the VAT due for these transactions should be paid directly in the respective Member States through the corresponding domestic VAT declarations (provided that taxable person is already registered for VAT purposes in the respective Member States).

12. Can a taxable person register for more than one scheme?
Yes, because the e-commerce schemes cover different supplies and are open to different taxable persons.

- A taxable person **established in the EU** can use the **Union scheme (EU OSS)** and the **import scheme (IOSS)**.
- A taxable person **not established in the EU** could possibly use **all three** schemes (**(EU OSS, non-EU OSS, IOSS)**.

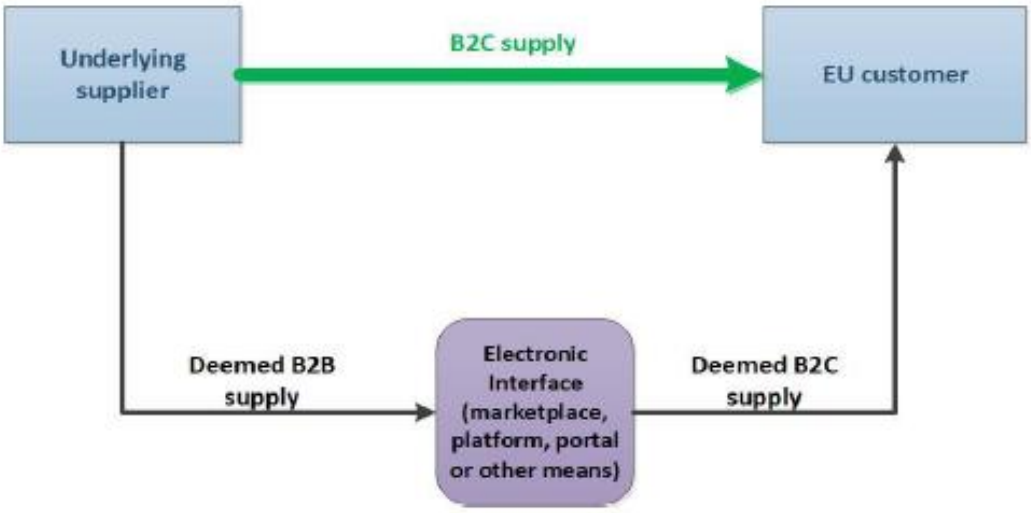
13. What if a taxable person has fixed establishments in other Member States than the Member State of identification or dispatches/transports goods from other Member States than the Member State of identification?

If one taxable person using the Union scheme or the import scheme has fixed establishments outside the Member State of identification, the VAT identification number or tax reference number, and name and address of each of these fixed establishments in those other Member States have to be included in the One Stop Shop registration details. This is required irrespective of whether or not the fixed establishment carries out supplies that can be declared under the respective scheme.
In addition, under the Union scheme, the taxable person must provide the VAT identification number or tax reference number of any Member State where goods are dispatched or transported from (other than the Member State of identification or Member States of the above-mentioned fixed establishments).

14. A Greek business registered under the EU OSS scheme in Greece, has also acquired a VAT Identification Number in Germany where it maintains a stock in the context of cooperation with a platform through which it sells its products both to customers in Germany and in other MS. Which sales from the stock in Germany should be included in the OSS return?

Retail sales made from a warehouse in Germany to customers in Germany (thus charging German VAT), should be included in the domestic VAT return in Germany using the German VAT identification number. However, distance sales to consumers in countries other than Germany, should be included in the single OSS VAT return.
ATTENTION: When registering with the OSS, the Greek business must declare all the VAT identification numbers it has obtained in other MS (in this case the German VAT Identification nr). After a VAT identification number (in another MS) is obtained after its registration with the OSS, the business is then obliged to electronically register this information in the Registry data (submission of a declaration of change of business information) through the **myaade.gov.gr** portal services. Once all VAT identifications numbers obtained in other MS have been declared, the business should report in the single OSS VAT return sales carried out from the stock it has in those MS (in our case Germany) to other m-s, in the corresponding field of the single OSS VAT return named "*Services supplied from a Member State of establishment or supplies of goods dispatched or transported from another country*".

15. How does the deemed supplier model work?



The result of the deemed supplier model is that the taxable person facilitating the supply through an electronic interface is treated for VAT purposes as if he is the actual supplier of the goods. This implies that he will be considered for VAT purposes to have purchased the goods from the underlying supplier and sold them onwards to the final customer. This means that the single supply from the supplier (the so-called underlying supplier) selling goods via an electronic interface to the final consumer (B2C supply) is split into two supplies:

Supply 1: a supply from the underlying supplier to the electronic interface (**deemed B2B supply**) which is exempt from VAT with the right of deduction for the underlying supplier

Supply 2: the supply from the electronic interface to the customer (**deemed B2C supply**)

In the event that the goods are already within the EU territory and are delivered via the interface to consumers within the EU, the interface declares both the domestic supplies of goods in the Member State of identification and the intra-Community distance sales of goods, always provided that the underlying supplier of the goods, is located outside the EU (in a third country or in a third territory outside the EU).
The European Commission's Explanatory Notes (Section 2.1.4) analyze in particular the conditions that need to be fulfilled for an interface to be considered as facilitating a transaction and thus become a "deemed supplier" in the context of e-commerce and therefore liable to pay VAT.

16. How does the deemed supplier model work when several Electronic Interfaces are involved?

In the event that a customer within the EU orders goods through an electronic platform (HP1) and subsequently HP1 redirects him to another electronic platform (HP2) where goods are available for sale by an underlying supplier and sale is eventually concluded via HP2, then HP2 is the one to be the deemed supplier, regardless of whether the customer's initial contact was made with HP1.
Therefore, in order to determine which online platform is the deemed supplier, it must be clarified through which platform the sale is carried out, this being the electronic interface where the order is taken and through which the supply is concluded.

17. Is it mandatory that the electronic interface knows the status of the buyer?

In accordance with Article 5d of the VAT Implementing Regulation (Impl. Reg. 282/2011), the deemed supplier shall regard the person selling goods through an electronic interface as a taxable person and the person buying the goods as a non-taxable person, unless he has information to the contrary.

18. Can a taxable person register from the start in the Union OSS scheme for distance sales to consumers within the EU?

A taxable person can choose to be taxed in the Member States of consumption. In order to do that and before commencing his business activity, he should notify the Greek tax authorities by submitting a Δ212 Declaration and declare with this his wish, that all distance delivery of goods / TBE services that the business will carry out in the future, are to be taxed in the Member State of consumption.
Regardless of the submission of the Δ212 Declaration, there is an additional obligation for all taxable persons wishing to opt to use Union OSS scheme to simultaneously submit a request for registration. It is recalled that the registration to the Union (or the non-Union) scheme is the first day of the calendar quarter following that during which the taxable person submitted

the registration request. **However**, if the taxable person starts carrying out supplies under the OSS scheme (thus applying the VAT rate of the Member State of Consumption), prior to his registration in the OSS scheme then the registration request is submitted no later than the tenth day of the month following the said first transaction. The taxable person completes the relevant field in the online OSS registration form in order to be able to apply the scheme and to be able to declare this, and all subsequent to this, transactions under the Union OSS scheme.
Moreover, if a taxable person wishes to start using the scheme at the time of submitting the electronic application for registration in the OSS application, thus to carry out distance sales of goods charging the equivalent VAT of the MS of consumption before the first day of the next calendar quarter, he should indicate that filling in the commencement date in the relevant field of his electronic application.

19. Which are the reporting obligations of a taxable person that is registered in Greece with the OSS (EU and non-EU) scheme?

- Submission of the OSS return for every calendar quarter
- Inclusion of the taxable value (**net amount**) of said sales in the domestic VAT Return under code 349 and
- Reporting obligation of the transactions into the myDATA platform. For OSS transactions the justification to be selected is "Other VAT Exemptions / No VAT - article 47b of the VAT Code (OSS_non-EU scheme) or No VAT - article 47c of the VAT Code (OSS_EU scheme).

4.6.2 Practical examples

1. A business established in Greece, also has a fixed establishment in Bulgaria. The business carries out distance sales of goods amounting to EUR 7000 to customers in Italy and France and provides TBE services in customers in Belgium, amounting to EUR 2000. What is the correct rate to apply in the respective invoices?

Although the EUR 10.000 threshold is not exceeded for 2022, since the Greek business also has a fixed establishment in Bulgaria (apart from the establishment in Greece), the threshold of EUR 10.000 **does not apply**. The Greek business has to apply Italian, French and Belgian VAT rate accordingly. In order to pay the relevant VAT to the corresponding Member States, the supplier would be required either to register in each Member State in which he supplies goods or services to his customers according to the relevant national procedure or opt for the Union OSS scheme (the business will register in Greece, not Bulgaria, as the MS of Identification is the Member State where the business is established.

2. A business is registered for the Union scheme in Greece and has issued documents with VAT of the MS where the goods are to be sent. Should the business have the obligation to submit the Δ212 declaration?

Since the business in question is registered in the Union scheme because it exceeded the €10.000 threshold, there is no obligation to submit the Δ212 Declaration. If the business, from the beginning of its operations or before reaching the limit of €10.000, chooses to impose on the retail receipts it issues for distance sales of goods to consumers in other MS the VAT applicable in the respective jurisdictions where the goods are sent, then according to the decision A.1074/2022, it is considered that the business has exercised the right to be taxed in the Member State of consumption for those transactions. In this case, the submission of the Δ212 declaration is also required. In the event that the Δ212 declaration is not submitted within thirty (30) days of the realization of the first transaction, the sanctions of article 54 of Law 4987/2022 (Α΄206), hereinafter "Code of Procedures", are imposed.

3. A business established in Greece carries out distance sales of e-books, submits the Declaration Δ212 on 20.1.2022 with the indication "Commencement", on 15.1.2022. How long is the business bound by it and when can the business discontinue it?

The Δ212 declaration submitted on **20.1.2022** binds the business for the years 2022 and all of 2023, during which it will have to charge VAT according to the applicable VAT rate of the Member State(s) of consumption on e-books. If the declaration is submitted on **10.2.2022** then the business is bound for 2022 and for another two (2) full calendar years (2023 and 2024).
If the business's annual sales do not exceed € 10,000 and e.g. towards the end of 2024 decides that going forward it wants to apply Greek VAT on its (online distance) sales, then the business should revoke its choice by submitting a revocation request, i.e. filling in the Δ212 declaration again with the relevant indication "Revocation (Discontinuance)". This should be done before the first transaction is carried out in 2025.
It goes without saying that in any case it must not carry out sales in 2025 applying the VAT rate of the Member State of consumption, because in this case it will be considered that the place of supply of the goods/provision of services is in the Member State of consumption.
If, after the end of the mandatory period of validity of the Δ212 declaration, the Greek business imposes VAT at the applicable rate in Greece on the receipts it issues for these transactions, then it is considered that the place of delivery of the goods/provision of services is in Greece and the business must revoke its original choice by submitting a Δ212 declaration indicating «revocation/discontinuance (ανάκληση/διακοπή)» within 30 days of the first transaction.

4. **A business established in Switzerland (non-EU country) provides services to customers in Greece. It also supplies goods that are dispatched from Greece to customers in Spain. The business wants to use the OSS schemes to declare and pay VAT for these supplies. Which schemes should the business use?**

This supplier is established in a third country (Switzerland). This means that for the **supply of services** from a third country to an EU Member State to (final) customers in Greece, the business has to use the **non-Union scheme** (free choice of Member State of identification).
For the **intra-Community distance sales** (where the goods are dispatched from Greece to customers in Spain), the supplier must use the **Union scheme**. The Member State of identification for a taxable person not established in the EU is the Member State of dispatch of the goods, thus the swiss business has to register for OSS in Greece as Member State of Identification (Article 369a of the VAT Directive).
If a taxable person dispatches or transports goods from more than one Member State, this taxable person shall indicate which of those Member States shall be the Member State of identification.

5. **A business established in the USA has registered for the non-Union scheme in Greece. It provides electronic services to consumers in Finland, Sweden and Greece. Can all these services be included in the OSS VAT return?**

Yes. As long as the business is registered under the non-EU OSS scheme in Greece, it will include all such B2C supplies of services in the OSS VAT return in Greece (under the non-EU scheme), including the supply of services to consumers in Greece.

6. **A business established in the USA is providing electronic services to a business (taxable person) in Greece and charges Greek VAT on the retail invoice issued. Can the Greek business deduct the VAT charged through the domestic VAT return?**

No. The American business issues the aforementioned document using the VAT number that was granted to it for the provision of TBE services within the framework of MOSS (before 1.7.2021). As of 1.7.2021 there was an automatic transition of those VAT numbers in question to the non-EU OSS scheme.
The Greek business cannot deduct the VAT charged because the respective document was issued as if the business is a final customer and not a taxable person, thus subject to VAT.

7. **A business established outside the EU (e.g. the United Kingdom), maintains a stock of goods in Greece where is it has appointed a tax representative for this purpose and carries out distance sales of goods in other EU member states exclusively through electronic interfaces. What should the business do?**

In this case it is considered that the business supplies its goods (which are within the EU) to the electronic interface and then the electronic interface makes a supply to the customers. Therefore, the electronic interface becomes a deemed supplier for distance sales to customers

(consumers) in Greece as well as other EU Member States. The supplies of goods to the electronic interface are exempt from VAT (B2B transactions).
The online interface is obliged to charge, collect and remit VAT on all distance sales to consumers within the EU. Instead of registering for VAT purposes in all Member States, it can register in the union OSS scheme, submit OSS VAT returns and pay the corresponding VAT every quarter, on sales to consumers in different EU member states.

8. A business established outside the EU (e.g. China) maintains stock of goods in Greece from which it makes distance sales of goods through its own website and through electronic interfaces to customers in the EU. What should the business do?

The business makes distance sales within the EU. VAT is due in the Member States to which the goods are dispatched/transported, irrespective of how the sales are carried out (own website or via electronic interface). The business shall keep clear evidence of the distance sales carried out via its own website and those carried out via electronic interfaces.
For the distance sales of goods sold via its own website, the business remains liable for the VAT to be paid.
For distance sales of goods sold via electronic interfaces, it is the electronic interface that is liable for the VAT due.

9. A business established in Germany registers for the EU OSS scheme on 1.10.2021. Can the distance sales effected from 1.7.2021 until before the registration date (1.10.2021) be included in the first OSS VAT return that the business will submit?

According to the provisions of article 57d of the Implementing Regulation (EU) 282/2011, since the business is registered under the special scheme on 1.10.2021, in its first One Stop Shop VAT return for the 4th quarter (that will have to be submitted by 31.1.2022), distance sales effected before the registration date in the EU OSS scheme cannot be included.
In order to declare sales from 1.7.2021 until 30.9.2021 the business has to register for VAT purposes in each member state of consumption and pay the respective VAT directly to those Member States through their national VAT Return.

10. A business that carries out electronic sale of collectible banknotes and also has an e-shop, is registered in the EU OSS scheme. Can the business include these sales in the OSS VAT Return?

No. As long as the business has opted for the special scheme for second-hand goods and works of art, collectors' items and antiques (Article 45 of the VAT Code), for these sales it is considered that the place of delivery is the reseller's place of establishment. Therefore, the reseller who is established in Greece must pay Greek VAT even if he has exceeded the limit of 10,000 euros in distance sales in the EU and sells e.g. said collectibles to a private individual in France.

11. A business established in Greece sells to private individuals in Belgium via an electronic platform. According to the business's commercial policy for distance sales, transport costs are charged. Is VAT applied on the transport costs? Which rate should be applied, Greek or Belgian?

Regarding transport costs, it is noted that those are included in the taxable value even if they are listed separately on the tax invoice/document or if they are the subject of a special agreement, as long as the transport is carried out using the supplier's own means of transport or the tax invoice/document is issued in his name and paid by him. It goes without saying that in the event that the tax element (invoice) is paid by the buyer of the goods, the taxable value does not include transport costs.
Therefore, and given that the above condition is met, the transport cost charged to the same tax element as the goods, will be included in the final value of the goods. As long as the business is registered under the EU OSS scheme, it will apply the current VAT rate of the place of destination/consumption of the goods (Belgium VAT rate) on the total value of the goods including transport expenses.

12. A business based in Greece carries out distance sales of goods to a private individual in Belgium via an electronic platform. Based on the business's policy, the document is additionally charged with shipping costs. Do shipping costs include VAT? Which rate is applicable, Greek or Belgian? What happens if some goods have normal and some reduced VAT rate?

See question 11 for the answer.
Concerning the transport cost for goods subject to a different VAT rate, it is to be noted that the transport costs should be apportioned according to the value of the goods. (rel. Circular Note Π.4336/3162/Εγκ.10/10.7.1987).

13. How can I amend a previous return in which I entered an incorrect amount, greater than the actual amount, and what is the procedure for the extra amount I have paid to be refunded?

According to article 4 of A. 1242/2021 IAPR's decision, any correction, whether positive or negative, to the figures of a submitted single VAT Return through OSS, is made only through corrections included in a subsequent return. According to article 63 of Regulation 2019/2026, each Member State of consumption returns directly to the taxable person the corresponding part of the additional amount paid. Therefore, by submitting a single VAT Return, which contains amendments concerning the previous quarter, an obligation is created for the respective Member State of consumption to return the corresponding amounts, provided that these have of course been paid.

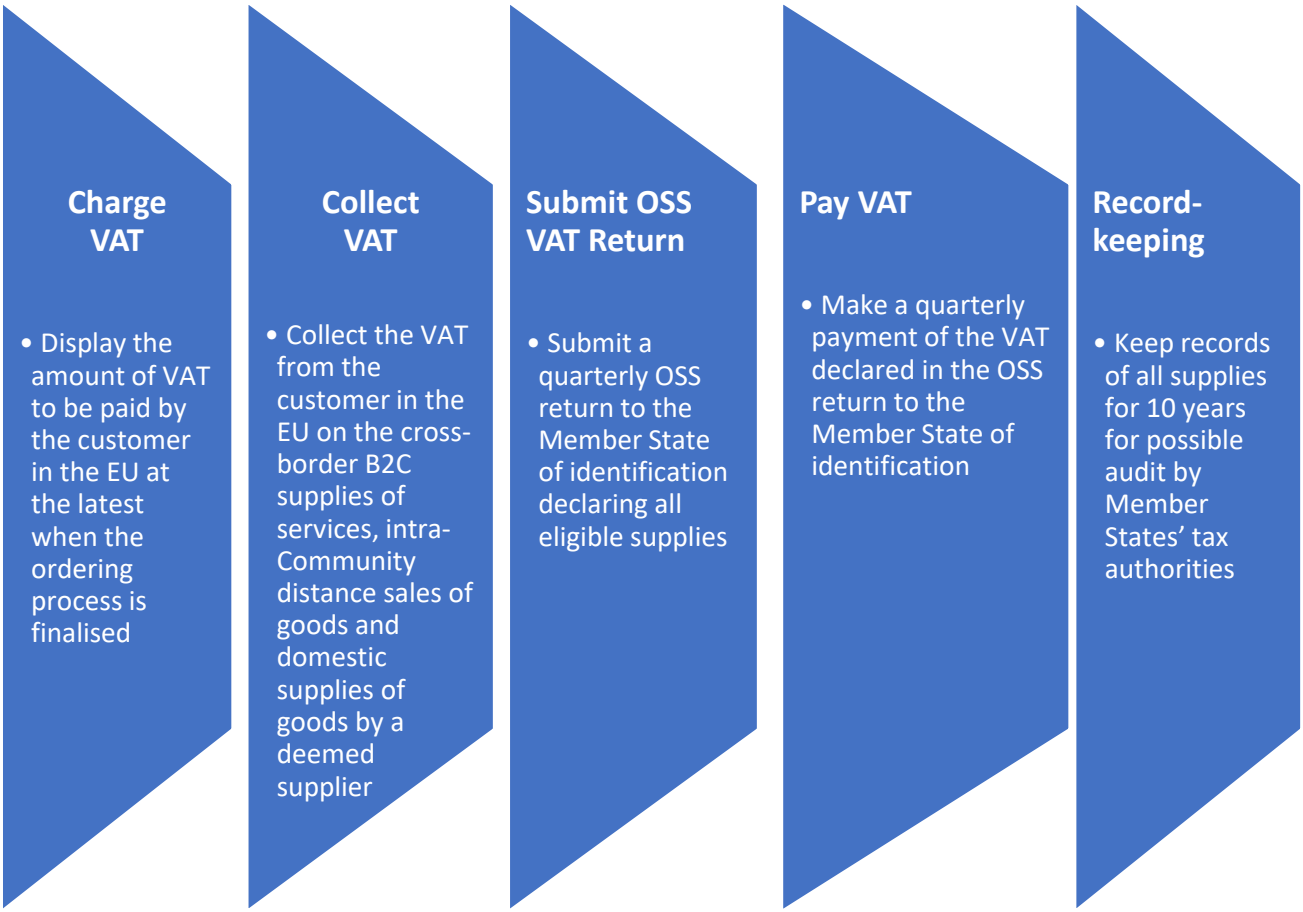
Any corrections must be submitted within a period of three (3) years as of the deadline for the submission of the initial single VAT Return. Thereafter, any corrections are not submitted in Greece through the OSS platform, but directly to the MS of Consumption in accordance with the national rules applicable to them.

14. A Greek business registered in the OSS scheme receives notification concerning its exclusion-deletion due to systematic non-compliance on October 21, 2022 (exclusion decision). In particular, and despite the reminders sent on behalf of the tax authorities, the business had not submitted any VAT Returns for the previous tax periods.

The exclusion from the EU OSS scheme will be effective from the first day of the calendar quarter following the day on which the decision on exclusion was sent by electronic means to the business, thus the 1st of January 2023. Relevant decision mentions the reasons for the exclusion/deletion as well as the possibility to file a petition against it (rel. Decision A.1212/2021).
The duration of the quarantine period is 2 years following the tax period (calendar quarter) during which the taxable person was excluded. In this case, the quarantine period will be from 1 January 2023 to 31 December 2024.
The exclusion from the Union scheme for systematic non-compliance triggers the exclusion from all other schemes and the taxable person cannot (re)register for any of the three schemes while he is quarantined.

4.6.3 What are the suppliers registered in the Union/non-Union scheme required to do?

A supplier using the non-Union scheme or the Union scheme or a deemed supplier using the Union scheme should ensure the following:



5. Distance sales of imported goods - Examples - Frequently asked questions

5.1 Introduction

-Why was the new regulatory regime established for distance sales of imported goods?
In order to counter the distortion of competition caused by the rapid development of e-commerce, in combination with the VAT exemption valid until 30-6-2021 for consignments with a value of up to 150 euros, imported from third countries.

-Which transactions are covered by the new regulations?
Distance sales of goods imported from third countries are deliveries of goods sent or transported from a third country or territory by or on behalf of the supplier, including cases where the supplier indirectly intervenes in the transport or dispatch of the goods, to a customer in a Member State. In other words, there should be physical movement of the goods from a third country to the territory of the EU and does not include cases where the goods are stored, under some customs procedure, in the territory of the EU and shipped from a warehouse to the consumer.

- What is the place of delivery?
In distance sales of imported goods, two taxable transactions arise:
a. the distance sale from a third country to a buyer located in the E.U.
b. the import of goods into the EU
The place of delivery depends on where the import will take place and where the final destination of the goods is. The following cases may occur:

A. The country of import is also the country of final destination of the goods
a) Place of delivery for distance sales of goods:
i) If IOSS is used, the place of delivery for the distance sale is the place where the shipment or transport of the goods ends
ii) If IOSS is not used:
-if the person liable to pay the VAT is the customer, the place of delivery is where the goods are at the start of the shipment or transport, i.e. the third country. In this case, the distance sale is not taxable in the EU but during the importation to the EU the VAT is paid according to the prescribed procedures.
-if the person liable to pay the VAT is the supplier or an online platform as a deemed supplier, the place of supply is where the goods are imported into the EU. In this case, the distance sale is taxable in the EU.
b) The place of import is the MS in which the goods of low value enter the customs territory of the EU.
i) If IOSS is used, the import is exempt from VAT, and the tax is paid by the customer to the supplier or electronic platform and remitted through IOSS.
ii) If IOSS is not used, VAT is payable on import at the relevant customs office.

B. The MS of import is not the MS of final destination of the goods

a) As place of delivery for distance sales is considered the city of final destination. It is noted that only low-value goods covered by the IOSS scheme can be released for free circulation in a country other than the country of their final destination. In any other case, the goods are put in transit and put into free circulation in the city of their final destination, where the import VAT is paid.

b) As place of delivery for the importation of goods of low value is considered the place where the goods enter the customs territory of the EU or put into free circulation.

i) If IOSS is used, the import is exempt from VAT and the tax is paid by the customer to the supplier or electronic platform and remitted through IOSS.

ii) If IOSS is not used, the VAT is payable upon importation into the country of final destination of the goods.

IOSS - IMPORT SPECIAL SCHEME

-Why was the IOSS established?

Since 1/7/2021, VAT is applied on all goods imported into the EU, regardless of their value. For this reason, a special scheme was created for distance sales of goods imported into the EU from third countries or third territories in order to facilitate the declaration and payment of VAT due on the sale of low value goods.

This scheme, commonly referred to as the import scheme, allows suppliers selling low-value goods, which are dispatched or transported from third countries or third territories to the EU, to collect VAT on distance sales of low-value imported goods from their customer and declare and pay it through the IOSS. When IOSS is used, the import of low-value goods is exempt from VAT, which has been paid by the customer as part of the purchase price (Article 23 paragraph 1 letter f, of the VAT Code - Law 2859/2000 (A'248).

<u>The use of this special scheme is optional.</u>

-Which deliveries fall under the scope of the import scheme?

The import scheme can be applied when:

• the goods are shipped/transported from a third country or third territory at the time of sale

• these goods are sent with a shipment of an intrinsic value not exceeding 150 euros, and

• the goods are transported or dispatched by or on behalf of the supplier, including where the supplier indirectly intervenes in the shipment or transport of the goods from a third country or territory, to the customer or other entitled person in a MS, and

• the goods are not subject to excise duties, harmonized or not. It is noted that the IOSS cannot be used when low-value goods are sent or transported together with excise duty goods, regardless of whether or not the value of the parcel exceeds 150 euros.

The intrinsic value is determined as follows:

a. for commercial goods: the price of the goods when sold for export to the customs territory of the EU, excluding transport and insurance costs, unless included in the price and not separately stated on the invoice, and taxes and fees imposed by the customs authorities,

b. for goods without any commercial value: the price that would apply if the goods had been sold for export to the customs territory of the EU.

Any other relevant costs, apart from transport and insurance costs, which are not related to the value of the goods, must likewise be excluded from the intrinsic value, when separately stated on the invoice (e.g. permits, export duty, etc.) The term "other taxes and fees" refers to any tax or fee imposed on the value of the goods or on taxes and fees on the goods.

-Who can make use of the IOSS import scheme? The following taxable persons can make use of the IOSS import scheme:

Table 1. Registration in the IOSS system by vendor type and installation location

Type of supplier	Direct / Indirect registration	Member State of registration	Intermediary
EU suppliers (sales through e.g. their own website)	Direct registration	EU Member State of establishment	Option to define an intermediary
Non-EU suppliers from countries with a mutual assistance agreement with the EU for VAT (sales from that country via e.g. their own website)	Direct registration	EU member state of their choice	Option to define an intermediary
All other non-EU suppliers (sales via e.g. their own website)	Indirect registration	EU Member State of establishment of the intermediary	Mandatory intermediary definition
Online interface companies (deemed suppliers) in EU which are considered suppliers	Direct registration	EU Member State of establishment	Option to define an intermediary
Online interface companies (deemed suppliers) outside EU from countries with a mutual assistance agreement with the EU regarding VAT on supplies from that country	Direct registration	EU member state of their choice	Option to define an intermediary
All the rest online interface companies (deemed suppliers) outside EU which are considered suppliers	Indirect registration	EU Member State of establishment of the intermediary	Mandatory intermediary definition

-What is an intermediary?

The intermediary must be a taxable person, established in the EU and fulfill all the obligations set out in the import regime for the supplier or electronic interface that appointed him, including the submission of IOSS VAT returns and the payment of VAT on distance sales low value imported goods. However, the supplier or quasi (deemed) supplier who appointed an intermediary remains liable for VAT obligations, including paying VAT together with the intermediary.

In practice, Member States will attempt to recover the VAT from the intermediary and if this attempt fails, Member States may attempt to recover the VAT from the supplier. It should be noted that the intermediary is not necessarily the person submitting the customs declarations for release for free circulation.

Before being able to register a taxable person in the IOSS, the intermediary must first register himself/herself in the Member State where he is established to be able to use the IOSS for suppliers making distance sales of low-value imported goods. He will receive an identification number that will allow him to act as an intermediary in the import regime (Article 47d paragraph 6b of the VAT Code - Law 2859/2000 (A'248). This number serves for the Member State in question the purpose of identification of the intermediary body. However, this intermediary identification number is not a VAT number and cannot be used by the intermediary to declare VAT on taxable transactions.

The intermediary will then register in its Member State of registration each taxable person it represents and will receive an IOSS VAT registration number for each taxable person for which it has been appointed (Article 47d paragraph 6b of the VAT Code - Law 2859/2000 (A' 248). Member States may establish rules or conditions that must be imposed to taxable persons who wish to act as intermediaries in IOSS (eg guarantees).

-IOSS /VAT number?

When registering with IOSS, the tax authorities of the Member State of recognition will issue an IOSS tax registration number to suppliers or, on electronic interfaces deemed to be suppliers, to intermediaries acting on their behalf. It should be noted that an online interface company (deemed supplier) will have a single IOSS VAT identification number, regardless of the number of underlying suppliers for whom it facilitates distance sales of low-value imported goods to EU customers, because the online interface is deemed to be the supplier for all these sales. Intermediaries, however, will receive a separate IOSS VAT number for each taxable person they represent. This IOSS VAT identification number can only be used to declare distance sales of imported goods under the import scheme and not for other supplies of goods or services that a supplier or electronic interface may carry out. For supplies eligible for the Union or non-Union scheme, separate entries are required.

A supplier or online interface that has chosen to use the IOSS import scheme will report all such distance sales of imported goods to customers across the EU using this IOSS VAT number. The IOSS VAT registration number will be entered on the customs declaration in order for the goods to be released for free circulation in the EU with VAT exemption. It is important that the supplier or e-interface as deemed (quasi) supplier ensures that the IOSS tax number is passed securely through the supply chain to the customs authorities. The notification of the IOSS VAT number should be kept to the minimum necessary and should

therefore only be shared with those parties in the supply chain who will need it for release into free circulation in the importing Member State. The IOSS tax registration number consists of 12 alphanumeric characters. More information on how to register with IOSS and the structure of the IOSS VAT identification number can be found on the VAT OSS portal.
It is noted that with the relevant Decisions of the Governor of A.A.D.E. (Hellenic Independent Authority for Public Revenue) with no. A.1212/8-9-2021 (B'4243) & A.1242/3-11-2021 (B' 5338) the terms and conditions for the optional inclusion and use of the IOSS system by taxable persons are determined and given clarifications on the relevant procedure followed.

-How does the IOSS system work?

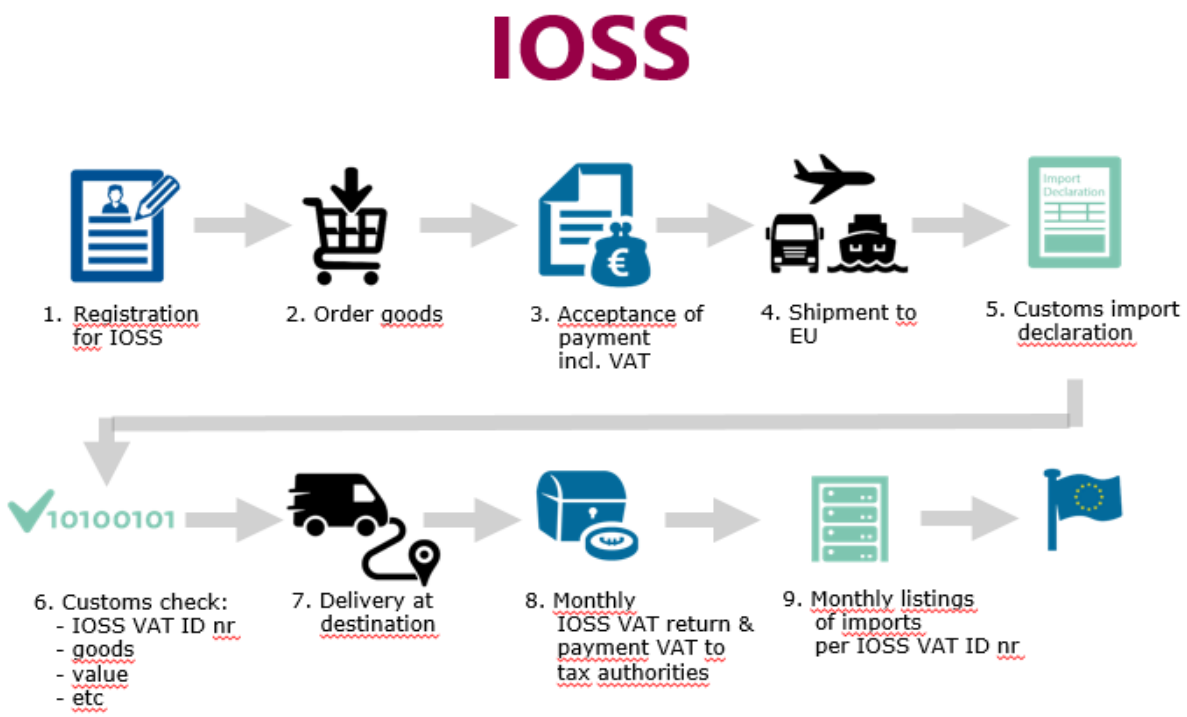


Figure 1. IOSS

The first step a supplier or online interface company (deemed supplier) must take to be able to use the import scheme is to register on the online portal of a Member State. When a supplier or an online interface using the import regime supplies goods dispatched or transported from a non-EU country to customers in the EU, the place of delivery of those goods is in the EU, namely the EU Member State where the ordered goods are delivered. Consequently, the supplier or online interface making use of the import regime will have to charge VAT already when selling these goods to customers in the EU.
When does VAT apply? The time of supply is the time when the payment was accepted by the supplier or online interface. In practice, the supplier or online interface will display the price

of the goods and the amount of VAT due on the respective order and the customer will have to pay the full amount to the supplier or online interface.
What VAT rate? The correct VAT rate is that which applies to the corresponding good in the EU Member State where the delivery takes place. In practice, this is the Member State where the customer states that the goods are to be delivered. Most goods are subject to the normal rate of VAT, however some goods are subject to a reduced rate of VAT depending on the nature of the goods and the EU Member State to which the delivery takes place. Information on VAT rates across the EU is available on each Member State's website. The European Commission also collects this information at the link: http://ec.europa.eu/taxation_customs/tedb/splSearchForm.html

In our country, the provisions of the VAT Code - Law 2859/2000 (A'248) constitute an integration of the provisions of Directive 2006/112/EC on VAT. of the Council and for determining the VAT rates. when importing and delivering goods and services within the country. Therefore, in conjunction with article 21 and Appendix III of the VAT Code. applied, reduced (13%) and super-reduced (6%) VAT rate. in a set of goods which are included in the coded annex published on the official website of A.A.D.E. together with a relevant example guide https://www.aade.gr/anakoinoseis/parartima-iii-n-28592000
The release for free circulation of low-value goods listed under the import regime is exempt from VAT provided that a valid IOSS number is provided at the latest with the customs import declaration. This is to avoid double taxation of the same goods.

-Validation of IOSS VAT number?
All IOSS VAT registration numbers issued by the tax authorities of the EU Member States are available electronically to all EU customs authorities. The database of IOSS VAT numbers is not public. Customs authorities, when receiving an IOSS VAT registration number in the customs declaration data set, perform an automatic check of its validity against the IOSS VAT registration number database. If the IOSS number is valid and the internal value of the shipment does not exceed 150 euros, a VAT exemption is provided by the Customs authorities for low-value goods imported under the IOSS. **The person declaring the goods to customs (eg postal carriers, postal companies, customs agents, etc.) does not and cannot check the validity of the IOSS TIN. In case of invalid or missing IOSS tax registration number, VAT should be paid on importation to the relevant customs authority.**

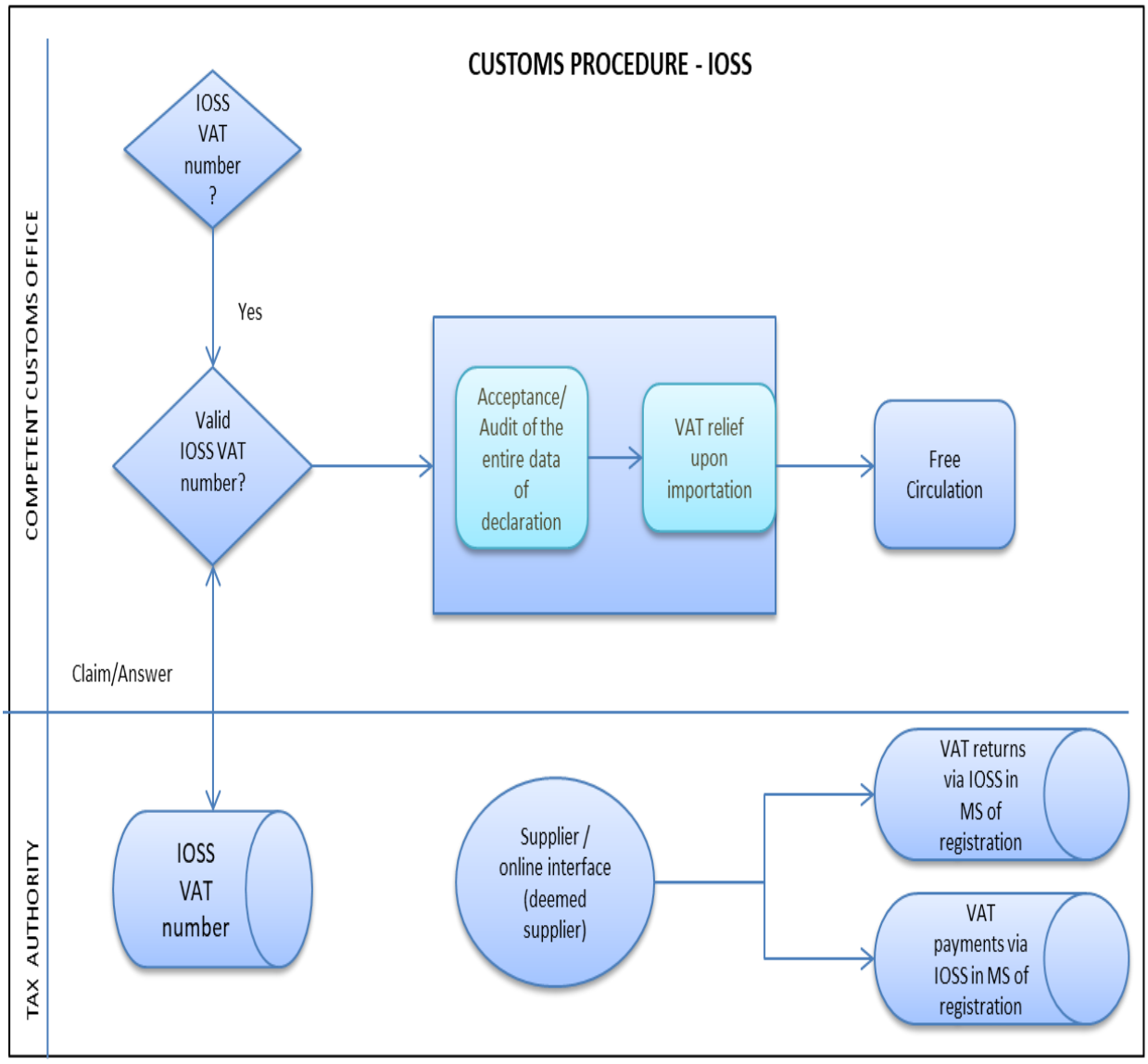


Figure 2. Customs Procedure IOSS

-What should you do if you use the IOSS input system?

A supplier or online interface (deemed supplier) using the import regime should ensure the following in relation to VAT:

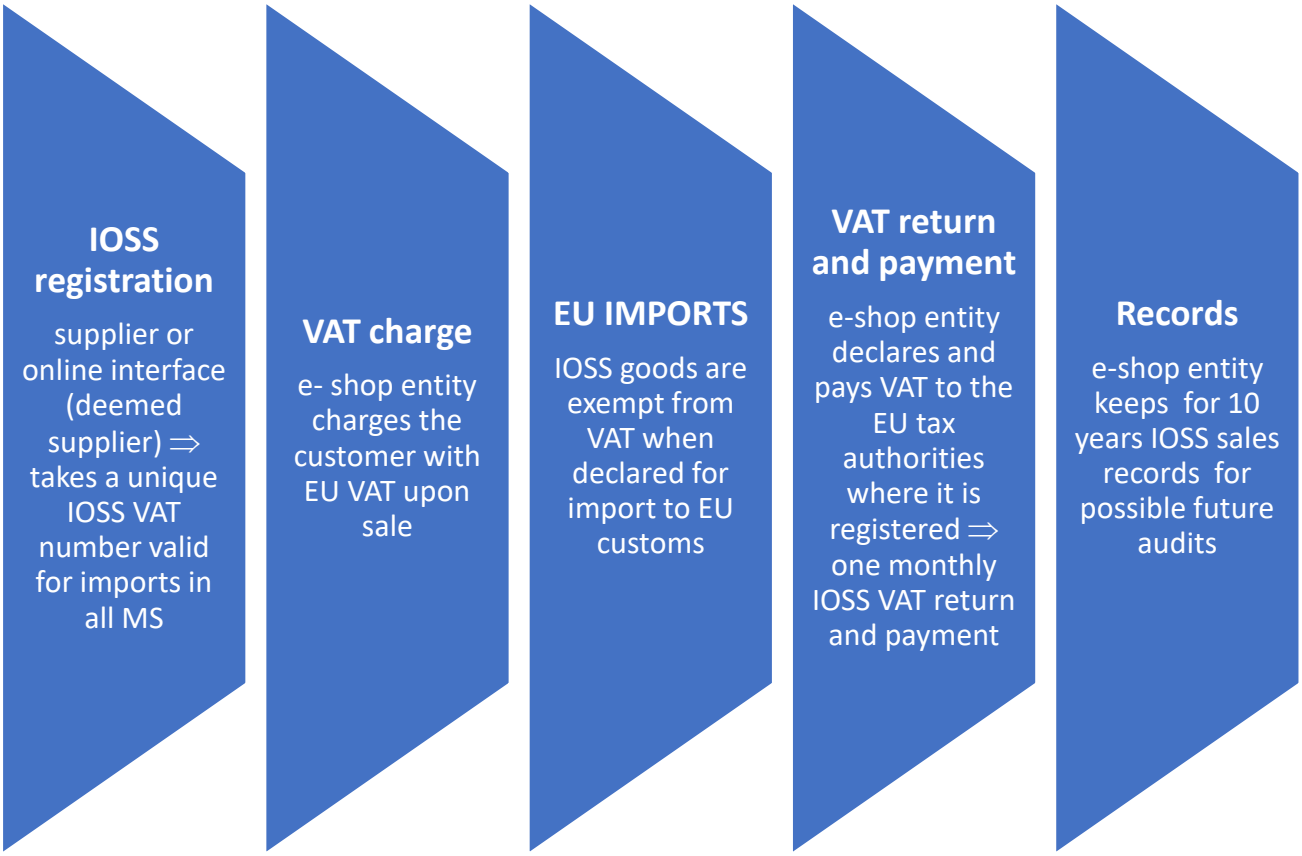
• Show the amount of VAT the customer has to pay in the Member State to which the goods will be shipped no later than when the order process is completed.

• Collection by the customer of VAT on supplies of all eligible goods sent/transported to the EU (eg excise duty free goods sent to an EU Member State in consignments not exceeding €150).

• Confirmation that the eligible goods are sent in shipments with a domestic value not exceeding the limit of 150 euros.

• The VAT invoice is recommended to include: a) the price paid by the customer in euros, b) separately, per VAT rate, the amount of VAT charged to the customer.
• Providing the carrier/declarant of the goods (such as postal carriers or postal carriers or customs broker) with the information required for EU customs clearance, including the IOSS VAT number, in order to avoid VAT at the time of importation (free status traffic). The IOSS registered supplier will provide this information directly to the carrier/declarant.
• Submit a monthly IOSS return to the Member State of identification for all eligible supplies of goods sold to customers across the EU and make a monthly payment of the VAT due as shown on the IOSS VAT return. If there is registration through an intermediary, confirmation that the intermediary has all the information it needs to fulfill its obligation to submit the monthly IOSS VAT return to its Member State of identity and to pay the VAT due. The declaration will contain the total value of the goods sold, their VAT rate and the total amount of VAT to be paid, broken down for each EU Member State to which the goods are transferred, as well as at the standard and reduced rate. The deadline for submission and payment of the IOSS VAT return is the end of the month following the reference month.
• Keeping records of all eligible IOSS distance sales of imported goods for 10 years in order to be considered in possible audits by EU tax authorities. More information on how to submit your IOSS VAT return, how to pay VAT and obligations record keeping can be found on the OSS VAT portal https://www.aade.gr/oss-el.

Summary of the IOSS Import Regime



5.2 IOSS Questions and Answers

For the following questions, the transactions described are distance sales of imported goods in domestic consignments with a value not exceeding 150 euros, also referred to as low value goods.

5.2.1 General questions

1. What are the advantages of using IOSS?
By using IOSS, a supplier or online interface (deemed supplier) ensures a transparent transaction for the customer who pays a price including VAT at the time of online purchase. In addition, the use of IOSS aims to quickly release the goods from the customs authorities and

quickly deliver the goods to the customer, which is often critical for the latter. The use of IOSS also simplifies supervision, as goods can enter the EU and be released for free circulation in any Member State, regardless of their final destination.
When the IOSS special import scheme applies, the goods are imported VAT exempt and the tax is paid by the buyer to their supplier at the time of purchase. However, courier companies or ELTA (Hellenic Postal Services) may charge customs clearance fees to their customers for the service they provide.
The Customs Service is only responsible for the imposition and collection of import VAT and therefore any customs clearance fees or other charges/expenses/fees imposed by the courier companies or ELTA for the services they provide to their customers and for the completion of the required formalities with the customs authority, are determined contractually between the postal companies and of their customers and do not concern charges arising from customs legislation. Customs clearance costs, agency and other rights of the carriers and the manner of settling them with their customers are outside the scope of customs legislation.

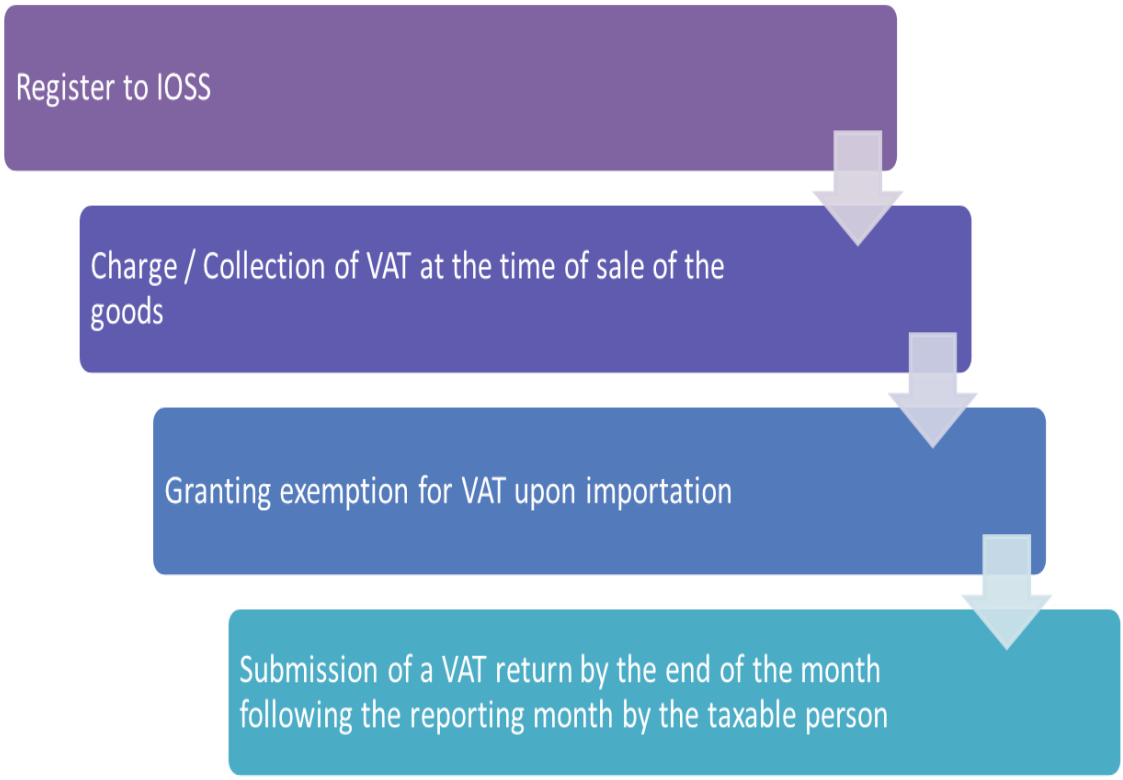
5.2.2 Registration in the IOSS system

2. A business established outside the EU that sells low-value goods to customers in the EU exclusively through its own online store. What should he do?
-Register to IOSS:
One can register for IOSS in one of the EU Member States (online registration using an intermediary established in the EU) to be able to sell in all 27 EU Member States. He/ She will need to appoint an intermediary to register his / her for IOSS in the Member State where he/she is established. The IOSS VAT registration number issued by the Member State in which the IOSS was registered (Member State of Identification) is to be used to declare all IOSS sales of low value goods to customers in all EU Member States.

-VAT collection from the customer and granting exemption upon importation:
At the time of sale, the customer is charged the VAT rate applicable to the goods in the Member State of consumption. The IOSS VAT number is forwarded to the person responsible for submitting the declaration of free circulation of the goods in the EU (e.g. postal carrier, express transport company, customs broker) to be entered in a relevant field of the customs document and upon confirmation to VAT is not paid at the customs office of import. Customs authorities carry out the prescribed checks on import, but do not calculate or collect VAT.

- Declaration obligations of a company:
Every month, the intermediary who has registered the trader in IOSS should submit an IOSS VAT return by the end of the month following the reporting month (e.g. for sales in September, the IOSS VAT return will be submitted by 31 of October). The IOSS VAT return contains all IOSS sales of low-value goods in the EU broken down by destination Member State and by VAT rate and shows the total EU VAT due. Similarly, by the end of the month following the

reference month, the intermediary must pay in the Member State of registration the total amount of VAT as declared on the IOSS VAT return (eg for sales in September, payment will be made by 31 October). If there is no IOSS registration, the relevant authorities will collect the VAT on the importation of the low value goods. The EU customer will only receive the goods after paying the VAT.



3. A business established outside the EU that sells low-value goods to customers in the EU exclusively through its own online store. Is there a registration limit on IOSS?
No, there is no enrollment limit on IOSS. Businesses selling low-value goods to EU customers can register for IOSS, regardless of their total turnover from sales to EU customers. See question 2 for more details.

4. Business established outside the EU sells low-value goods to customers in the EU exclusively through an online interface that facilitates procurement (eg marketplace, platform, etc.) and does not sell any goods through its online store. What should he do?
If a business sells low-value products to customers in the EU only through an online interface, it does not need to register with IOSS. It is considered to supply its products to the online interface and then the online interface supplies the customer. The online interface (quasi - deemed supplier) is required to charge and collect the VAT from the customer. The online

interface can be registered with IOSS and fulfill the VAT obligations as described in question 2 above. However, if the business itself arranges the shipment or transport to its customer, the online interface must communicate to it the IOSS VAT identification number which will be passed on to the person responsible for declaring the goods for release for free circulation in the EU (e.g. operator, express carrier, customs broker) in order to be granted VAT exemption by the customs authorities. If the online interface is not registered with IOSS, the VAT related to these goods will be collected on import into the EU. The VAT is due in the Member State where the dispatch or transport of the goods ends. It is paid by the person who is designated as liable for the payment of import VAT under national VAT legislation and is the person who receives the goods.

5. Business established outside the EU that sells low-value goods to customers in the EU exclusively through multiple electronic channels. How should it proceed?
The answer is similar to that in question 4. If each electronic interface is registered in IOSS, clear records of sales made through each electronic interface should be maintained. In the event that the business arranges the transport, it should provide the person responsible for declaring the goods for free circulation in the EU with the TIN/IOSS of the electronic interface through which the sale was made.

6. A business established outside the EU that sells low-value goods to customers in the EU through its own online store and through an online interface registered with the IOSS. How should it proceed?
The business should maintain clear records of the goods sold through its online store and the goods sold through the online interface. If she registers with IOSS for the sales she makes through her online store, she will have to give her VAT/IOSS number to the person responsible for declaring the goods for free circulation of those goods (eg express carrier, customs broker). For goods sold through the online interface, it should provide the person responsible for declaring the goods for release in the EU with the IOSS VAT number of the online interface, if the company arranges the transport itself. When selling goods through an online interface, the online interface is required to charge and collect VAT from the customer and declare and pay VAT to the tax authorities.
If the business does not register with IOSS for sales through its online store, it cannot use the TIN/OSS of the online interface for sales made through the business website. Instead, VAT on goods sold through its online store will be collected by the customer at the time of their import into the EU. It is noted that the tax authorities will compare the total value of transactions declared on import with each VAT/IOSS with the IOSS VAT returns submitted with the corresponding IOSS tax registration number.

7. A business established outside the EU sells low-value goods to customers in the EU through its online store for which it is registered with IOSS. It also sells low-value goods through an online interface that is not registered with IOSS. How should it proceed?
As in question 6, it should maintain clear evidence of the goods sold through its own online store and the goods sold through the online interface. For goods sold through its online store, it should charge VAT to its customers and communicate the VAT/IOSS to the person

responsible for declaring the goods for release into free circulation in the EU. For goods sold through the online interface cannot charge VAT to customers as it is deemed to supply these goods to the online interface and then these are supplied by the online interface to the customer. So, for sales made through the online interface, the business cannot use its own IOSS VAT number when importing the goods into the EU.
Since the online interface was not registered with IOSS, the VAT due on these goods will be collected on import into the EU. The VAT is due in the Member State where the dispatch or transport of the goods ends. It is paid by the person designated as liable for the payment of import VAT under national VAT legislation, which is the customer who receives the goods. take appropriate measures to enforce the tax and any penalties.

8. A business established in the EU that sells low-value goods only to customers in the Member State in which it is established. Goods are sent directly from outside the EU to customers in the Member State where it is established. How should it proceed?
The answer is similar to that given in question 2. He can choose to join IOSS, without an intermediary. The country in which it is established is the Member State of identification. It will charge and collect from the customer the VAT applicable in the Member State to which the goods are dispatched or transported. He will need to communicate the VAT/IOSS registration number to the person responsible for declaring the goods for release into free circulation in the EU so that no VAT is payable on import. If they choose not to register with IOSS, the customer will have to pay the VAT on import into the EU. These sales of goods should not be included in the domestic VAT return.

9. A business established in the EU that sells low-value goods to customers across the EU through its online store. Goods are sent directly from a place outside the EU to customers in the EU. How should it proceed?
The answer is similar to that given in question 2 and question 8. If he registers with IOSS, he must in any case apply the VAT rate of the m-m to which the goods are sent or transferred.

10. A business established in the EU that sells low-value goods to customers in the EU exclusively through electronic channels that facilitate procurement (eg marketplace, platform, etc.) and not through its online store. Goods are sent directly from a place outside the EU to customers in the EU. How should it proceed?
The answer is the same as given in question 4. In this case, the electronic interface is a quasi (deemed) supplier. It should ensure that the online interface is clearly informed of the dispatch or transport of the goods taking place from a non-EU location prior to procurement and should maintain clear evidence of the dispatch or transport of the goods from a non-EU location to VAT registers.
As far as VAT is concerned, these goods are supplied to the online interface and the online interface supplies the goods to the customer. For these transactions the company has an obligation to keep records.

11. A company established in the EU imports low-value bulk goods in its own name into the Member State where it is established. After clearing customs, it sells these products to customers in the Member State where it is established. Does he need to register with IOSS for these transactions?

No, it cannot be subscribed to IOSS for these transactions. If a business imports low-value goods in its own name before selling them to customers in its own country, it cannot use IOSS for those transactions. For importing goods, the general rules (normal simplified procedure) for importing goods into the EU apply. Subsequent sales to customers in the Member State in which it is established follow the normal rules for domestic transactions. These sales must be included in the domestic VAT return.

12. A business established in the EU imports low-value bulk goods in its own name into the Member State where it is established. After they are cleared, it sells these products to customers in the Member State in which it is established and to customers in other EU Member States. Does it need to register with IOSS for these transactions?

No, it cannot use IOSS for these transactions as the sales only take place after it has already imported the goods into the EU. Sales to customers in the Member State in which it is established are domestic supplies and will be included in the domestic VAT return. To declare, collect and pay VAT on sales made to customers in other EU Member States (i.e. where the goods are destined), there are two options: i) direct registration in each Member State to which the goods are sent or ii) use of the Union scheme (Union One Stop Shop).

13. A business established inside or outside the EU moves goods into the EU where they are placed in customs warehousing before being sold to customers in the EU. Can it use IOSS for these transactions?

No, IOSS cannot be used for these transactions. When the goods are already in the EU, IOSS cannot be used because one of its conditions of use is that the goods are sent or transported by or on behalf of the supplier from a third country to the customer in the EU. Furthermore, goods destined for final use or consumption cannot be placed in customs savings (Article 155 of the VAT Directive). They must come out of customs warehousing and be released for free circulation in the EU on payment of VAT, at the rate applicable in the importing Member State, and customs duties (if applicable).

5.2.3 Intrinsic value - 150 euros

14. How to determine "intrinsic value"?

Example 1: Invoice showing the total amount of the price paid for the goods which is not divided between the net price of the goods and carriage charges. The amount of VAT is indicated separately. Price of goods as indicated on the invoice: 140 euros + VAT (20%) 28 euros. Total invoice amount: 168 euros.

In this example, the transportation costs are not listed separately on the invoice and therefore cannot be excluded. However, the net price of the goods does not exceed 150 euros and therefore, IOSS can be used and no VAT or customs duties are imposed on import.

Example 2: Invoice showing the total amount of the price paid for the goods divided between the net price of the goods and carriage charges. The amount of VAT is indicated separately. Price of the goods as stated on the invoice: 140 euros.

Transport charges as shown on the invoice: 20 euros +VAT (20%) = 32 euros Total invoice amount: 192 euros. In this example, the transport costs are listed separately on the order/invoice. Transport costs are therefore excluded from the intrinsic value. The internal value of the goods does not exceed 150 euros and therefore, IOSS can be used and no VAT or customs duties are imposed on import. It is noted that the VAT is applied to the total value of the sale (e.g. the value of 160 euros of the goods + the transport costs) and accordingly the VAT attributed through IOSS is calculated on the total value.

15. What happens if the customs authorities consider the goods for which the IOSS was used to be undervalued and the correct internal value exceeds 150 euros?

In some cases, the internal value at import may exceed the limit of 150 euros. In case of deliberate undervaluation or any suspicion of fraud, the recipient cannot prove that he bought the goods at a price not exceeding 150 euros (excluding VAT) and the IOSS scheme cannot be used.

When such a situation arises, the customer (recipient) may:

• accept delivery of the goods. In this case, he will pay import VAT and possibly customs duty to the customs authorities, even if he/she has already paid the VAT to the supplier or online interface.

• refuse to receive the goods. In this case, the usual customs formalities will apply.

In case of deliberate undervaluation found by customs, the supplier or e-interface (deemed supplier) should not include these distance sales of goods in the IOSS VAT return and should keep relevant evidence on file (e.g. proof of payment of VAT by the customer to EU customs, respectively proof of export, destruction or abandonment in the State).

16. What happens if the goods are depreciated, but the corrected intrinsic value does not exceed 150 euros?

In this case, the importation of low-value goods may still be exempted from import VAT, provided that the valid IOSS number of the taxable person is mentioned in the customs declaration. Please note that the correct amount of VAT must be declared on the IOSS VAT return and must be paid by the supplier or online interface or intermediary.

17. At the time of purchase, the goods benefited from an offer/discount period which no longer applies when the goods enter the EU. The discount/offer price paid by the customer does not exceed €150 and is shown on the document accompanying the shipment of the goods. Will customs accept the discount/offer price as intrinsic value?
Intrinsic value on importation is the net price paid by the customer at the time of supply (i.e. when payment is accepted by the customer) as shown on the document accompanying the goods (i.e. the commercial invoice). In case of doubt, the customs authorities may request proof of payment from the customer (recipient) before the goods are released for free circulation.

18. In the event that the goods sold are paid for in a currency other than the euro, what happens if the intrinsic value in euro does not exceed the limit of 150 euros at the time of the offer but, due to exchange rate fluctuations, exceeds this limit by at the time of admission?
Suppliers or e-interfaces must always make the calculation at the time of supply of goods to determine whether the sale of goods can be declared under the import regime. To avoid the situation described in this question, it is recommended that the supplier or online interface indicate on the invoice accompanying the shipment the price in Euros, as determined at the time of acceptance of payment. This euro value will be accepted by customs authorities when the goods are imported into the EU (unless fraud is suspected) and thus prevent potential double taxation of VAT on import.

5.2.4 Multiple Orders

19. What is a single consignment?
Goods packed together and sent at the same time from the same consignor (e.g. supplier, or electronic interface acting as a deemed supplier) to the same consignee (e.g. EU customer) and covered by the same contract of carriage are considered as a single consignment. Accordingly, goods sent by the same consignor to the same consignee and ordered and shipped separately, even if they arrive on the same day but as separate parcels at the postal carrier or postal carrier of destination, should be considered as separate consignments, except if there is a reasonable suspicion that the shipment has been deliberately split in order to e.g. avoid paying customs duty. Likewise, goods ordered separately by the same person, but shipped together, are considered as a single consignment.

20. What happens if a customer places several orders, each of which does not exceed 150 euros, with the same supplier (through their own store)? All ordered goods are then packed and shipped/transported all together by the supplier or via a registered IOSS electronic interface in one shipment exceeding 150 euros.
When these multiple orders are packed and shipped/transported together, they are treated as a single consignment and VAT is charged by the customs office of import, even if the buyer has paid the VAT to the supplier using IOSS. In this case, the supplier should refund the VAT collected at the time of the sale to the customer.

21. What happens for IOSS purposes if a single order from a supplier or online interface over €150 is split (shipped/transferred to the customer) into multiple consignments not exceeding €150?
Since the intrinsic value of the transaction exceeds 150 euros at the time of procurement, the IOSS cannot be used by the supplier or the online interface. Consequently, VAT should not be charged to the customer at the time of acceptance of payment but should be paid on entry to the relevant customs office. It should be noted that customs authorities can carry out verifications to assess whether an order or batch was artificially split to take advantage of the defect, in case a customs duty will also be imposed.

22. A customer buys in the same order/transaction a good of 25 euros and an excise good (eg a bottle of wine) of 30 euros from the same supplier (via their own website) or via an online interface. Will the goods be shipped in one consignment or in separate consignments? Can IOSS be applied to this order/transaction?
The sale of the two goods in one order/transaction constitutes a single supply. Since the order includes excise goods, IOSS cannot be used, despite the fact that the value of the order/transaction does not exceed 150 euros. VAT is therefore payable on import, regardless of whether the goods are sent together in the same consignment or in separate consignments.

23. A customer buys in two separate orders/transactions a good of €25 and an excise good (e.g. a bottle of wine) of €30 from the same supplier (via their own website)/or via an online interface. The supplier/electronic interface decides to ship both goods in a single consignment. Can IOSS be applied in this scenario?
For customs purposes, this is treated as a single consignment for which IOSS is not applicable but is taxable at the time of import (customs duties and excise, where applicable, plus VAT). The supplier or e-interface should refund any VAT paid under the IOSS to the customer based on the receipt of payment at the customs office of import.

5.2.5 VAT rate

24. If IOSS is used, who should check the correctness of the VAT rate applied on delivery?
It is the responsibility of the IOSS registered supplier or e-interface to charge the correct rate of VAT applicable to the supply in the relevant Member State of consumption (e.g. the Member States to which the goods are dispatched). For the online interface this will be based on the information received from the taxable supplier. The Member State of consumption will check the correctness of the rates declared in the IOSS VAT declaration.

5.2.6 IOSS VAT registration number - use / verification

25. How will the IOSS/ VAT number be validated in practice? How will it be checked and who is responsible for checking the validity of the number?
The validity of the IOSS tax registration number included in a customs declaration is checked electronically by the customs authorities in the IOSS tax registration number register/database. The database contains all IOSS VAT identification numbers assigned by all MS, including their start and end dates. Checking the correct use of the IOSS/ VAT number by the taxable suppliers responsible for the transfer is primarily the responsibility of the electronic interface to which this number is assigned. The contract, agreement or general conditions to be observed by taxable suppliers should clearly describe their obligations related to the use of the IOSS number.
26. What happens if the VAT/IOSS number mentioned in the import declaration is invalid or not mentioned at all in the import declaration?
Where the VAT/IOSS tax registration number shown on a customs declaration is invalid or not provided at all, the import regime cannot be used and exemption from VAT on import will not be granted. Consequently, VAT will be levied upon importation by the customs authorities. A customs declaration with an invalid IOSS tax registration number cannot be accepted and the customs declaration will need to be amended to use special arrangements or the standard VAT collection mechanism.

6. Special arrangements

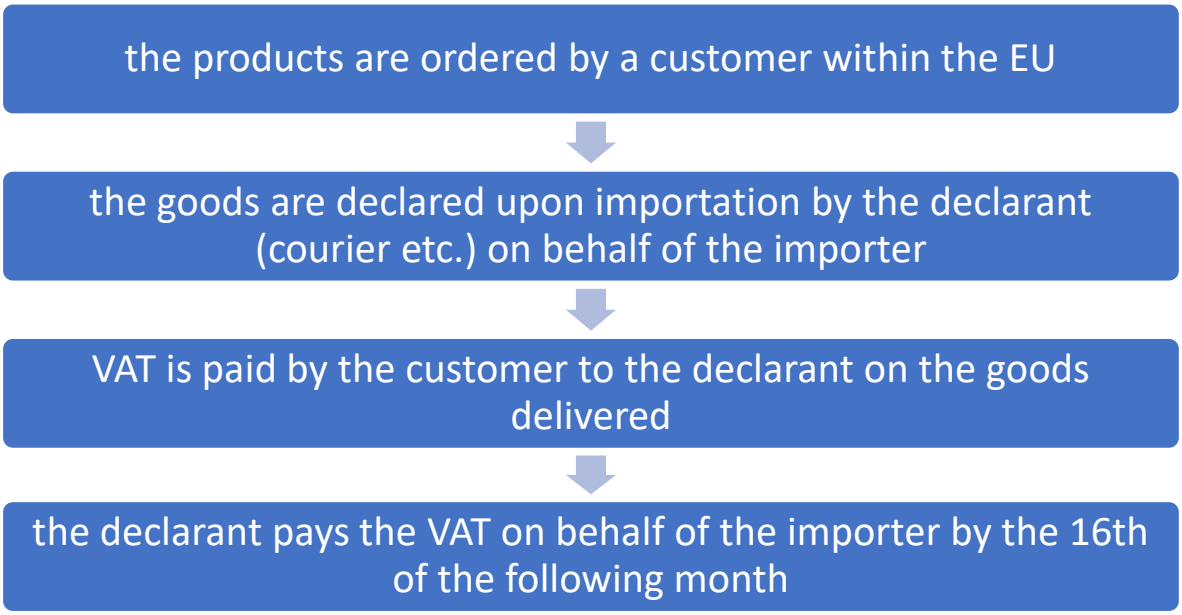
27. Why were the special arrangements introduced?
The special arrangements were introduced as an alternative simplification for the collection of VAT on import in cases where neither the import scheme (IOSS) nor the standard VAT collection mechanism on import is used. As with the import regime, the use of the special regime is not compulsory.

28. Which transactions are covered by the special regulations?
The special arrangements cover the importation of the following low-value goods, for which neither the IOSS import scheme nor the standard VAT collection mechanism is used:
• the goods are supplied to customers in the EU. The types of customers are defined in Article 14(4) of the VAT Directive and
• the goods are sent in domestic shipments of a value not exceeding €150 to customers in the EU and
• the goods are not subject to excise or consumption taxes (usually alcohol or tobacco products, coffee, etc.)
• the goods are released for free circulation in the Member State where the shipment or transport ends.

29. Who can use the special arrangements?
This simplification measure is designed in particular for postal operators, couriers or other customs agents in the EU who usually declare low-value goods for import, either as direct or indirect customs agents.

30. How does it work?
When goods are ordered from outside the EU, VAT is generally due in the EU by the customer ordering and importing the goods. Under the special arrangements, the customer pays the VAT to the declarant/person who presents the goods to customs. This person returns the VAT to the Customs authority with a simplified procedure by the 16th of the following month. In most cases, this declarant will be a postal carrier, courier or customs agent. These special arrangements can only be used if the release for free circulation takes place in the Member State in which the low value goods will be delivered to the customer/importer.

31. Summary of special arrangements



The following facilities are provided under the special regimes:
The person presenting the goods to customs shall remit to the tax/customs authorities only the VAT actually collected by the customer during a calendar month. The declarant who presents the goods to customs pays the competent authorities a single monthly payment of the total VAT collected from the customers (Article 47e paragraph 3 of the VAT Code - Law 2859/2000 (A'248). As far as the special regulations the reference period is the calendar month, the monthly payment is deferred until the 16th day of the month following the VAT collection month.
Example: The goods are imported on 31 of August 2021 in Greece through the Greek postal operator. The customer pays the operator the amount of VAT corresponding to the normal VAT rate on 2 September 2021. The Greek postal operator is obliged to pay this VAT by 16 October 2021 together with any other VAT collected under special arrangements during the month September 2021.

32. What should economic operators using special arrangements do?
Economic operators using the special arrangements must ensure that the VAT they collect, is correct based on the commercial invoice/documents accompanying the imported goods. Essentially, they must ensure that the inland value declared is correct, apply the correct VAT rate and remit the VAT on import of the goods to the relevant customs authority. Economic operators must also keep records of transactions covered by the special arrangements. These records should, among other things, allow them to justify the non-payment of VAT on parcels refused by the customer.

Practical example
A Greek citizen buys 2 books online from the online store of an American publisher for a total value of 40 euros. This price does not include VAT. The American editor packs the books into an envelope. This shipment is picked up by the American Post from the American publisher's warehouse, along with other similar shipments. American Post sends an ITMATT message (ITeM ATTribute- i.e. message with the basic characteristics of the shipment) to the Hellenic Post Office based on the information provided by the American author, among other things, about the identity and address of the Greek customer and a description of the goods (including value and the relevant commodity code). The shipment is transported by air in a postal bag and arrives in Athens, where the postal bag is delivered to the Hellenic Post Office.

Tax treatment:
• Import VAT is due in Greece. The VAT rate applied in our country for books is (6%).
• The person presenting the goods to customs (e.g. Hellenic Post Office) submits a customs import declaration with a reduced set of data to Greek customs. The amount of VAT that the customer must pay to the person presenting the goods is 2.40 euros,
• When Hellenic Post delivers the goods, the customer pays VAT probably before or at the time of delivery. Hellenic Post declares and pays this VAT together with the VAT collected on all imports under the special arrangements for the relevant calendar month to the Greek customs office by the 16th day of the month following the month of VAT collection.

7. Use of over-simplified statement H7

The over-simplified H7 declaration was introduced in support of the e-commerce VAT legislative package with a reduced data set compared to a standard declaration, due to the expected volume of transactions, and it covers goods sent in consignments with an identical value of up to €150.

Excluded:

a) goods subject to excise duty or consumption tax

b) new means of transport

c) goods that are subject to customs duty exemption based on other articles of the regulation 1186/2009 on customs duty exemptions, such as commercial samples, as well as goods that have been exported from our country and are returned as re-imported cannot be customs with the H7 declaration and must are subject to a Non-Statistically Valued EDE or a standard declaration with a full data set.

d) goods subject to prohibitions and restrictions: these goods, except those for which release into free circulation is prohibited as well as goods sent from the countries: North Korea

(KP), Iran (Islamic Republic) (IR), Iraq (IQ), Syria (SY), Libya (LY) and Indonesia (ID) must be cleared using a standard customs declaration containing all relevant information and accompanied by the relevant certificates/permits/approvals for their customs clearance.
By submitting the customs declaration with data set H7, it is declared that the goods are not subject to prohibitions and restrictions.

e) goods put into free circulation by implementation of regimes 42 and 63 (import and re-import of goods with VAT exemption and shipment to another EU Member State)

f) goods subject to anti-dumping duties and countervailing measures

g) goods which were initially placed under a customs warehousing or Free Zone procedure as this would conflict with the requirement of direct dispatch provided for in Article 23(1) of the Customs Defects Regulation and goods which have been placed under warehousing procedures are already on EU territory and therefore cannot be considered to have been dispatched from third countries or third territories as required by the concept of distance sales of imported goods under the VAT provisions.
However, goods in temporary storage or placed under the transit procedure immediately after their arrival in the customs territory of the Union or before such arrival may be cleared using the H7 declaration.

Useful References and links

- Official EU website – legislation / procedures

  https://ec.europa.eu/info/index_en

- Official EU website – OSS scheme

  https://vat-one-stop-shop.ec.europa.eu/index_en

- Official website of the EU - Taxes in Europe Database - VAT rate search in all MS

  https://ec.europa.eu/taxation_customs/tedb/taxSearch.html

- Official website of A.A.D.E. - Tax services - VAT - One Stop Shop (general information - Login to the online application - Guides/user manuals - Frequently Asked Questions/Answers - current legislation -)

  https://www.aade.gr/oss

- Official website of A.A.D.E. - Customs services - e-commerce (detailed information - current legislation)

  https://www.aade.gr/polites/teloneiakes-ypiresies/teloneia/e-commerce