Global 3000
Service Pack Note

EU VAT e-commerce Package

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Project	ZM60_000590.docx
Version	1.0

INTRODUCTION

This service pack updates Debtors Ledger and S.O.P. to handle EU e-commerce supplies direct to consumers.

Notes:

- Although the EU has titled the changes to include the term e-commerce this is misleading, the new EU VAT rules relate to all sales of commercial goods and services regardless of whether they are sold via an e-commerce platform or not.

- Throughout this document the following abbreviations are used.

    1. B2C is used in place of 'business to consumer'.

    2. BTE or TBE are used in place of 'broadcasting, telecommunications and e-services'.

- All the changes relate B2C sales (of goods and services).

- All changes apply from 1ˢᵗ July 2021 (this date is **NOT** enforced by the software).

Summary of legislative changes.

- The VAT Mini One Stop Shop (MOSS) used to report sales of BTE services to consumers in EU countries has been extended and renamed as simply the VAT One Stop Shop (OSS). A new VAT Import One Stop Shop (IOSS) has been created. The IOSS is used to account for the VAT on low value goods imported into EU countries from non-EU countries.

- Intra-EC distance sales (including from Northern Ireland) of commercial goods to consumers are to be accounted for using the OSS.

- The EU will remove low value consignment relief (LVCR) on imported goods, which relieves import VAT on consignments of goods of up to €22.

- The VAT on goods (valued under €150) sold from non-EU countries (e.g. the UK) to consumers in EU countries can be accounted for using the IOSS. Note, although this is optional the alternative (expecting the consumer to pay the VAT on goods they have ordered before they clear customs) will not be acceptable to the companies using our software.

- All services (not just BTE services) sold to consumers from a non-EC country (e.g. the UK) to an EC country (including Northern Ireland) are to be accounted for using the OSS.

Summary of Software changes.

- Debtors transaction entry has been updated to replace the 'Digital Supply' window with a new 'Consumer Sale/Supply' window. This allows the user to indicate that an invoice/credit note (for a customer configured as a direct consumer) is a BTE supply, accounted for via the VAT One Stop Shop or accounted for via the VAT Import One Stop Shop.

- S.O.P. Order Entry and the Transaction Desktop have been updated to include (header) options to allow the user to indicate that a transaction is accounted for via either the VAT One Stop Shop or the VAT Import One Stop Shop.

- The GL VAT Reconciliation report has been updated to exclude transactions accounted for via the VAT One Stop Shop or VAT Import One Stop Shop from the VAT return. These are listed separately under tax classes 'CS' and 'CI'.

Please note: Global 3000 has **not** been updated to include a report equivalent to the VAT One Stop Shop (OSS) or Import One Stop Shop (IOSS) returns. It should be noted that OSS and IOSS transactions are listed in separate sections on the VAT Reconciliation report. These can be further separated by country by using a separate tax code per country.

Customer Maintenance Window – Customer type documentation change.

Note Consumer accounts operate exactly the same as normal business accounts unless the goods supplied are classed as broadcasting, telecommunications or e-services (BTE). If this is the case the the place of taxation is determined by the location of customer (i.e. the country from the customers invoice address) rather than the location of the business supplying the services. Supplies of BTE to consumers (private individuals) are excluded from the EC Sales List and do not contribute to the 'value of supplies to EC countries' on the VAT Reconciliation report. The tax class is set to 'DS' (digital supplies) for supplies of BTE. The VAT Reconciliation report lists these in a separate section.

In addition, for consumer accounts you have the option to specify that a transaction is being accounted for via the VAT One Stop Shop (OSS) or the VAT Import One Stop Shop (IOSS). In each of these cases the VAT is not included on the UK VAT Return, however the details appear in separate sections of the VAT Reconciliation Report. Tax class 'CS' is used for transactions accounted for via the One Stop Shop and tax class 'CI' is used for transactions accounted for via the Import One Stop Shop. If you wish to further classify OSS and IOSS by country, it is suggested that you use a separate tax code for each country.

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DL Transaction Entry – Consumer Sale/Supply Type Window
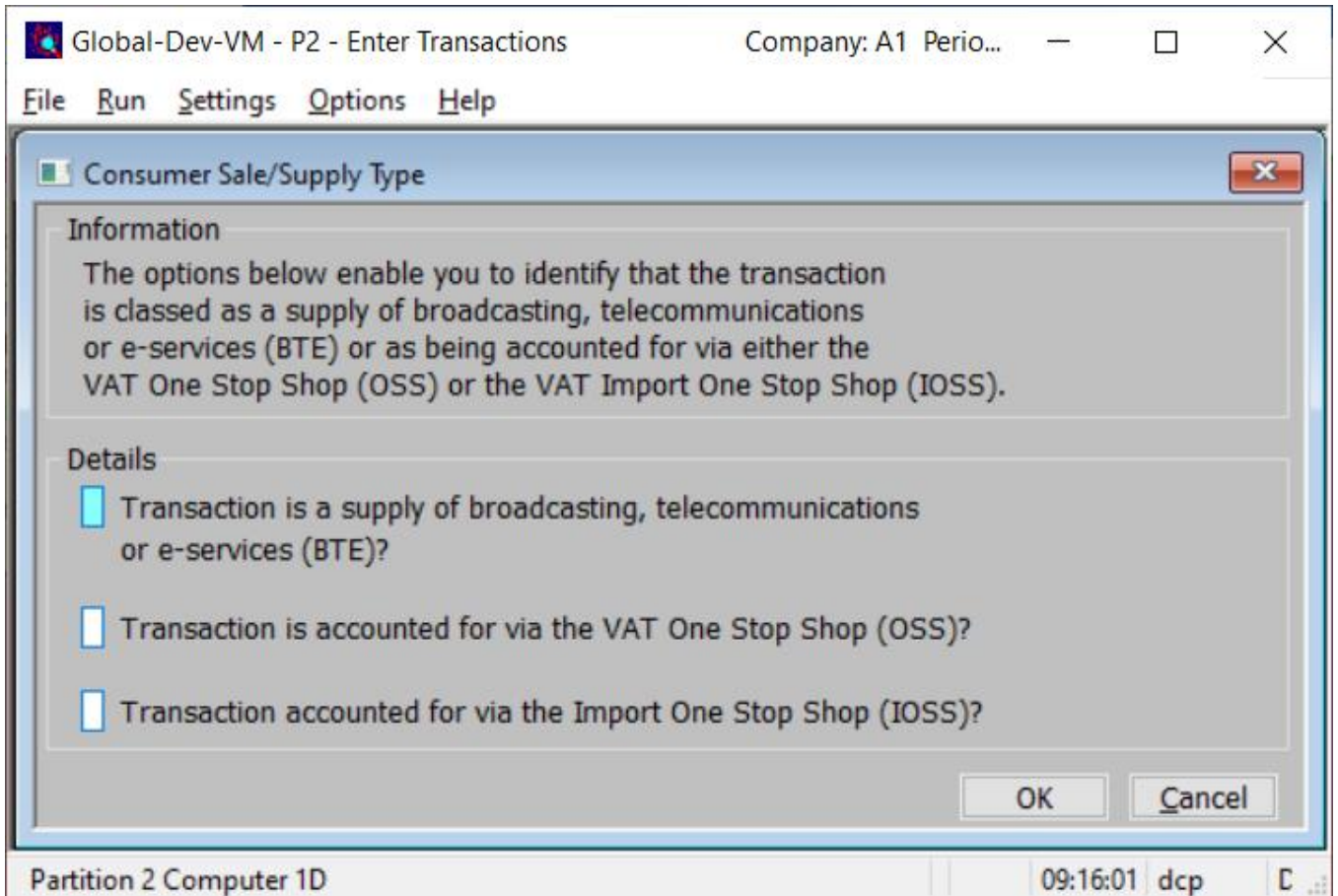
This window appears when you confirm your response to the trading terms prompt whilst entering an invoice or credit note and the customer is type 'consumer'.

Purpose   This window enables you to identify the transaction as being a supply of broadcasting, telecommunications or e-service (BTE) or as being accounted for via the VAT One Stop Shop (OSS) or VAT Import One Stop Shop (IOSS). The three options are mutually exclusive.

The prompt is:

Transaction is a supply of broadcasting, telecommunications or e-services (BTE)   Set this if the transaction is for goods that are classed as a supply of broadcasting, telecommunications or e-services (BTE). If this is the case then the place of taxation is determined by the location of the customer (i.e. the country from the customers invoice address) rather than the location of the business supplying the services.

Note   Supplies of BTE to consumers (private individuals) are excluded from the EC Sales List and do not contribute to the 'value of supplies to EC countries' on the VAT Reconciliation report. The tax class is set to 'DS' (digital supplies) for supplies of BTE. The VAT Reconciliation report lists these in a separate section.

Transaction is accounted for via the VAT One Stop Shop (OSS).	Set this if the transaction is to be accounted for via the VAT One Stop Shop (OSS). In this case it will not contribute to the VAT return however, it will be included in a separate section of the VAT Reconciliation Report (tax class 'CS').	
Transaction is accounted for via the VAT Import One Stop Shop (IOSS).	Set this if the transaction is to be accounted for via the VAT Import One Stop Shop (IOSS). In this case it will not contribute to the VAT return however, it will be included in a separate section of the VAT Reconciliation Report (tax class 'CI').	
Tip	If you wish to further separate OSS and IOSS transactions by country on the VAT Reconciliation Report, you can define and used a separate tax code for each country.	

SOP Transaction Desktop – Transaction Details Window

Transaction is accounted for via the VAT One Stop Shop (OSS).	Set this if the transaction is to be accounted for via the VAT One Stop Shop (OSS). In this case it will not contribute to the VAT return however, it will be included in a separate section of the VAT Reconciliation Report (tax class 'CS').
Transaction is accounted for via the VAT Import One Stop Shop (IOSS).	Set this if the transaction is to be accounted for via the VAT Import One Stop Shop (IOSS). In this case it will not contribute to the VAT return however, it will be included in a separate section of the VAT Reconciliation Report (tax class 'CI').
Tip	If you wish to further separate OSS and IOSS transactions by country on the VAT Reconciliation Report, you can define and used a separate tax code for each country.

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SOP Order Entry – Header Details Window

Transaction is accounted for via the VAT One Stop Shop (OSS).	Set this if the transaction is to be accounted for via the VAT One Stop Shop (OSS). In this case it will not contribute to the VAT return however, it will be included in a separate section of the VAT Reconciliation Report (tax class 'CS').
Transaction is accounted for via the VAT Import One Stop Shop (IOSS).	Set this if the transaction is to be accounted for via the VAT Import One Stop Shop (IOSS). In this case it will not contribute to the VAT return however, it will be included in a separate section of the VAT Reconciliation Report (tax class 'CI').
Tip	If you wish to further separate OSS and IOSS transactions by country on the VAT Reconciliation Report, you can define and used a separate tax code for each country.