

# VAT MINI ONE-STOP-SHOP (VAT MOSS)

September 2019

## WHAT IS THE MOSS ?

The Mini-One-Stop-Shop is a **system for the collection and transmitting of VAT across the EU's 28 Member States**. It applies to cross-border supplies of telecommunications, broadcasting and electronic services (TBE services) to consumers located in the EU.

There are two schemes in MOSS:

- The **Union Scheme or the Union One-Stop-Shop (Union OSS)**: for EU established suppliers supplying TBE services to consumers located in another Member State.
- The **non-Union Scheme or the non-Union One-Stop-Shop (non-Union OSS)**: for suppliers established outside of the EU supplying TBE services to consumers located in an EU Member State.

In MOSS, Member States can be both a Member State of Identification (MSI) where the suppliers are registered and a Member State of Consumption (MSC) where they receive the VAT revenue given the consumers of TBE services are located in their territory.

## 1. MOSS – REVENUE SHARING

Upon request of the European Commission, all Member States' tax authorities have provided the following information:

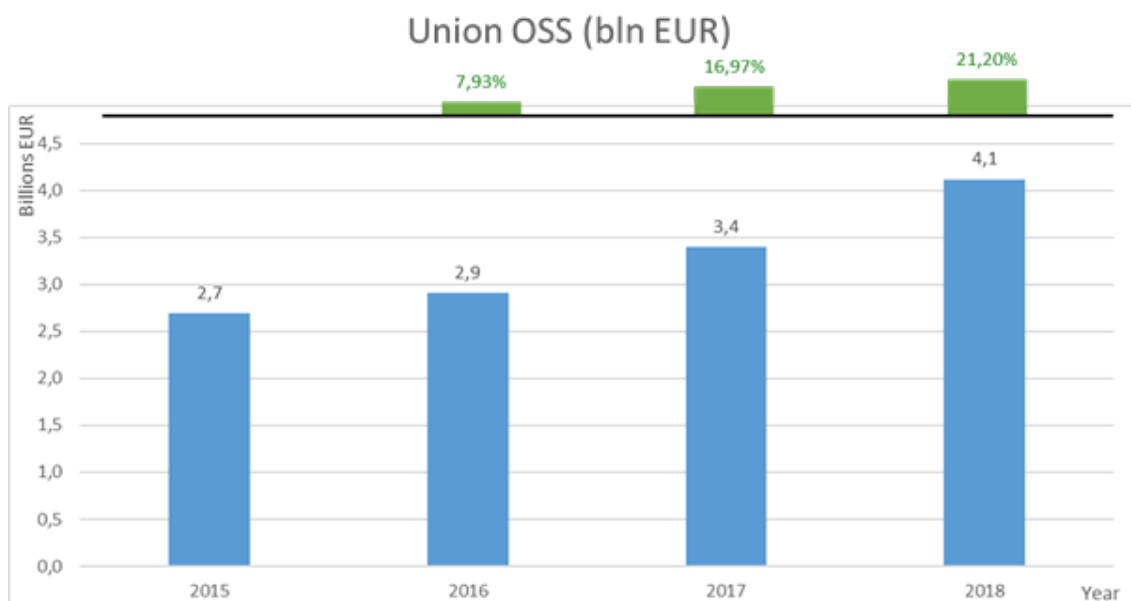
- amounts collected by them as MSI in the Union OSS and the Non-Union OSS on behalf of all other EU countries where consumers are located;
- amounts received as MSC in the Union OSS and the Non-Union OSS from other EU Member States where sellers are registered.

Given that there is no legal obligation for Member States to provide these statistics, the collection exercise is based on manual processes. This means that, there could potentially be discrepancies and some miscalculations in the figures reported by Member States.

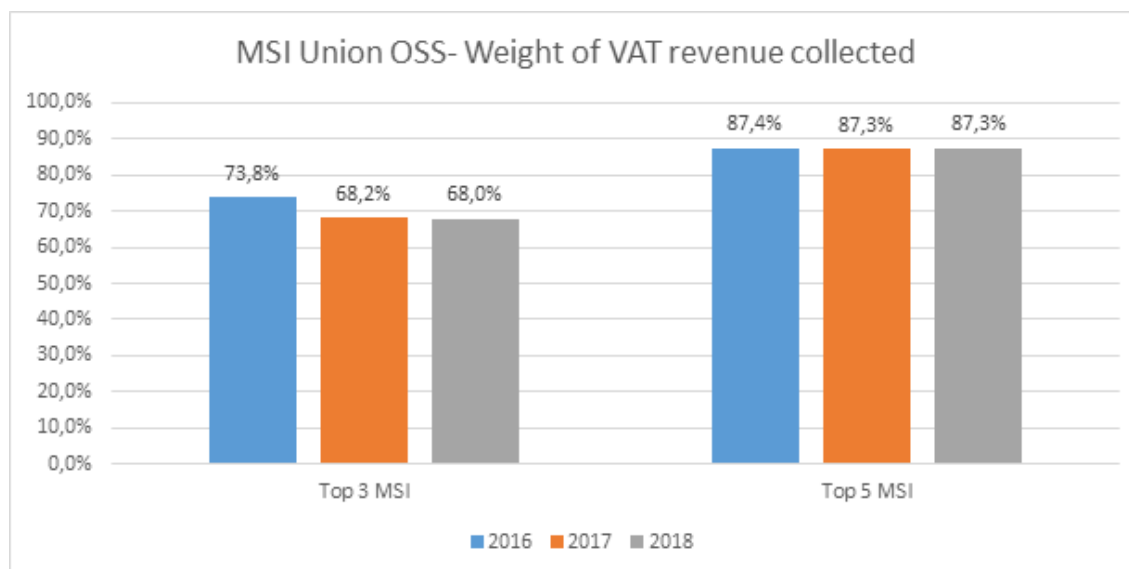
In addition, some countries have redacted or amended some of the figures due to the potential risk of disclosing confidential commercial information. This can be the case, for example, when there is only one seller or only one customer in the country and thus the details of single transactions can be deducted.

## 1.1 UNION OSS STATISTICS

The Union OSS shows constant growth from **€2.7 billion of VAT collected in 2015** to **€4.1 billion of VAT collected in 2018**. In 2018, the VAT collected by MSIs increased by more than **21%** compared to 2017 figures:



**Top three MSIs** collect more than two thirds of the VAT in the Union OSS, however their weight decreases from **73.8% in 2016** to **68% in 2018**. The top five MSIs collect close to **90% of the VAT revenues in the Union OSS** (constantly more than 87 % during 2016 to 2018).



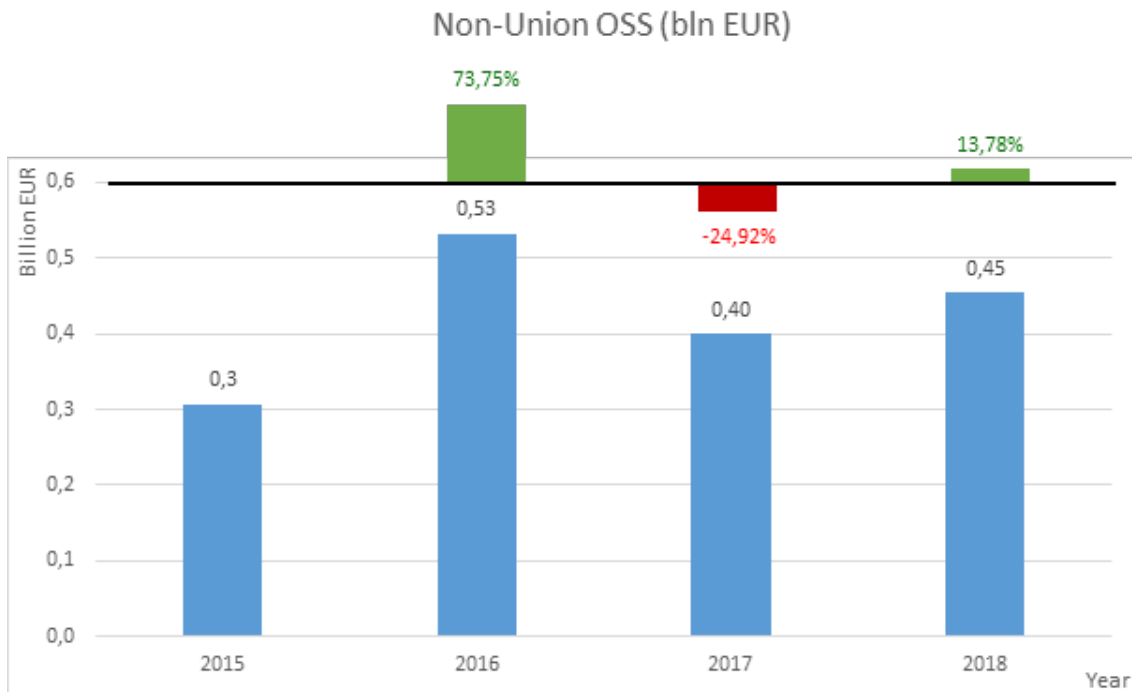
In terms of the **VAT revenues received as MSCs** in the Union OSS, Member States show **positive trends**. Out of the 28 Member States, 27 show increases in terms of revenues received both in 2017 and in 2018. In 2018, the percentage of **VAT revenue increase per Member State varies from 13.9% to 63%**.

## **1.2 NON-UNION SCHEME**

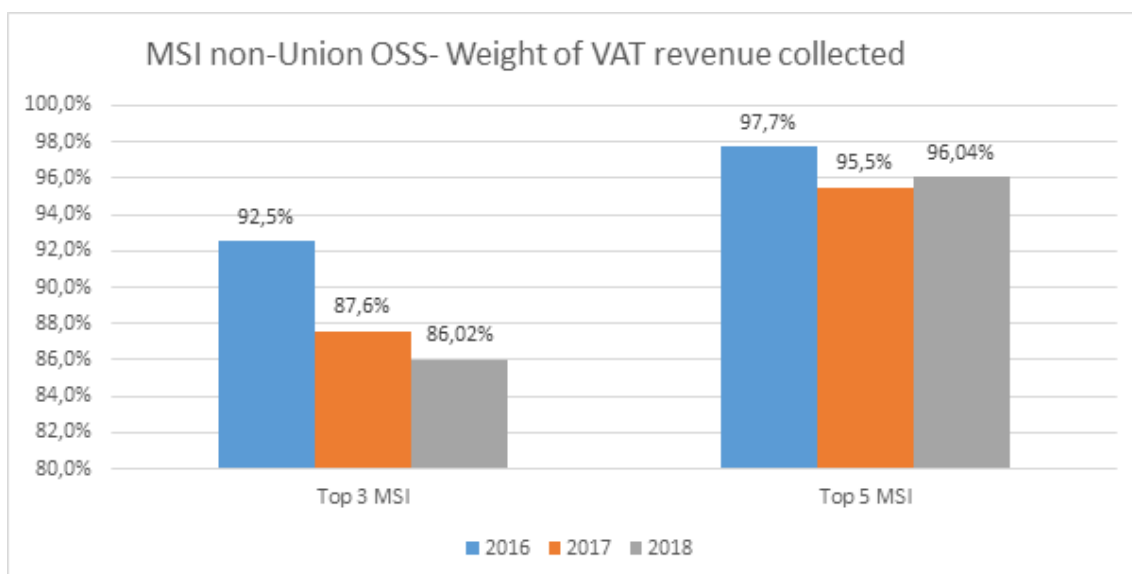
In the non-Union scheme the results are also showing **positive trends with the exception of 2017 where a decrease was recorded**.

An explanation for this decrease is that the non-Union businesses established in the EU and thus moved to the Union OSS. The VAT collected grew from **€300 million in 2015 to €450 million in 2018**. The growth rate from 2017 to 2018 is **13.78%**.

It should be noted that the major non-European TBE providers (non-EU companies which provide services to the EU consumers) are established in the EU for VAT purposes. As such, the VAT on their EU activities is reported under the Union scheme and not under the Non-Union Scheme.



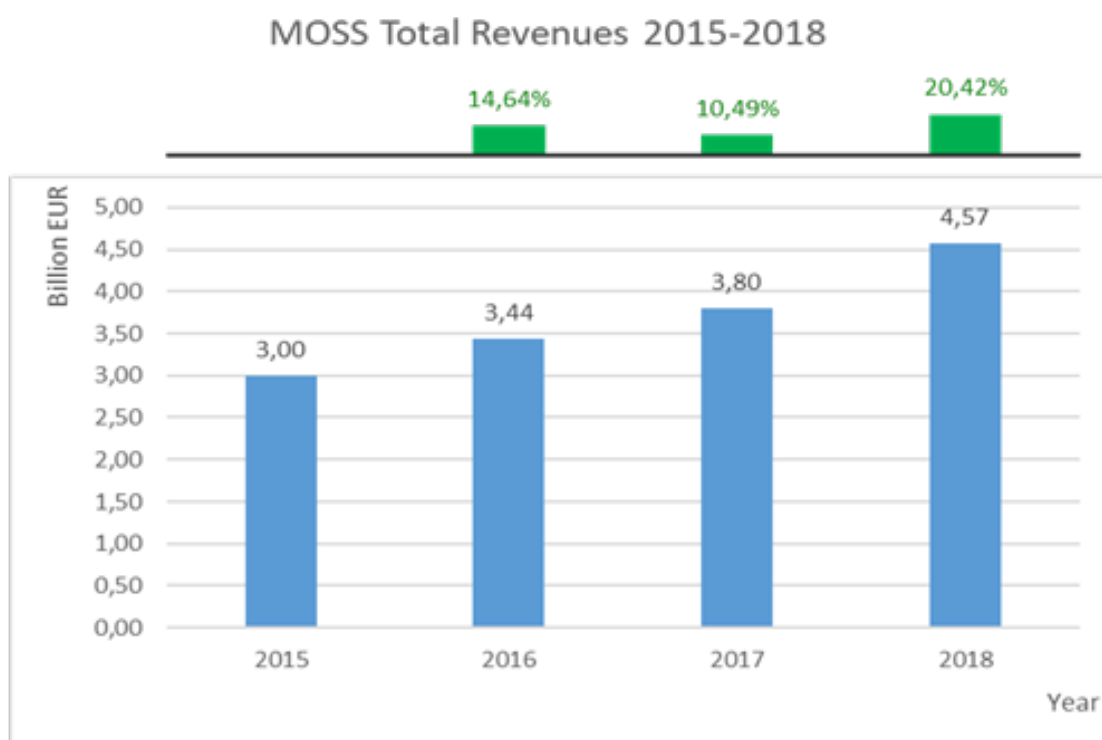
**Top three MSIs** collect a significant part of the VAT in the non-Union OSS, however, their weight decreased from **92.5% in 2016 to 86% in 2018**. The top five MSIs collect the majority of the VAT revenues in the non-Union OSS representing **97.7% in 2016 and slightly lower (96.04%) in 2018**.



In terms of the **VAT revenues received as MSCs** in the non-Union OSS, there were certain fluctuations. In 2017, **24 out of 28 Member States showed a decrease up to 50% in terms of revenues** received from the non-Union OSS. In 2018, the situation is reversed with **25 out of the 28 Member States reporting increases up to 70% of the VAT received in the non-Union OSS**.

### 1.3 TOTAL MOSS STATISTICS

Overall, the VAT revenues collected under MOSS (both the Union OSS and non-Union OSS) shows constant growth from **€3 billion of VAT collected in 2015 to €4.57 billion of VAT collected in 2018**. In 2018, the VAT collected increased by more than 20% compared to 2017 figures:



## 2. MOSS – NUMBER OF REGISTRATIONS

The total number of traders using the MOSS (both Union and non-Union OSS) is increasing on a yearly basis. In the Union OSS a slight decrease was registered at the end of 2018 and this is due to the introduction of the **€10,000 threshold as of 1 January 2019**.

Small businesses may choose to have the place of supply in the Member State where they are established, if **their cross-border supplies of TBE services do not exceed €10,000 and thus not use the MOSS**.

Also, it should be noted that businesses (especially smaller ones) that are trading through a platform or marketplace are not directly eligible for the MOSS but instead the platform and the marketplace register in MOSS and assumes most of the fiscal obligations.

