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# Guide to the VAT mini One Stop Shop

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## General information on this guide

This guide aims at providing a better understanding of the EU legislation (see Annex 1) relating to the mini One Stop Shop, as well as the functional and technical specifications for the special schemes, as adopted by the Standing Committee on Administrative Cooperation (SCAC). Published more than one year before the date of implementation of the new legislation, they are expected to allow Member States to transpose the legislation and set up their IT systems in a more uniform way and to provide taxable person with the necessary information to adapt to the new rules in time.

This guide will be complemented by:

- Additional guidelines on the audit of the mini One Stop Shop,
- Explanatory notes on place of supply rules for telecommunications, broadcasting and electronically supplied services.

This guide is a collaborative work: although the notes are issued by DG TAXUD for presentation on its website, they are the result of in-depth discussions with Member States.

Member States have contributed first through a Fiscalis workshop on the mini One Stop Shop held in Nicosia in May 2013 and then following discussions in the SCAC.

This guide is not legally binding and is only practical and informal guidance about how EU law and EU specifications are to be applied on the basis of views of DG TAXUD.

The guide is a work in progress: it is not a final product but reflect the state of play at a certain point in time in accordance with the knowledge and experience available. Over time, it is expected that additional elements may be needed.

## Background

The mini One Stop Shop comes into force on 1 January 2015 and will allow taxable persons supplying telecommunication services, television and radio broadcasting services and electronically supplied services to non-taxable persons in Member States in which they do not have an establishment to account for the VAT due on those supplies via a web-portal in the Member State in which they are identified. This scheme is optional, and is a simplification measure following the change to the VAT place of supply rules, in that the supply takes place in the Member State of the customer, and not the Member State of the supplier. This scheme allows these taxable persons to avoid registering in each Member State of consumption. The mini One Stop Shop mirrors the scheme in place until 2015 for supplies of electronically supplied services to non-taxable persons by suppliers not established in the European Union.

In practice, under the scheme, a taxable person which is registered for the mini One Stop Shop in a Member State (the Member State of Identification) electronically submits quarterly mini One Stop Shop VAT returns detailing supplies of telecommunications, broadcasting and electronically supplied services to non-taxable persons in other Member States (the Member State(s) of consumption), along with the VAT due. These returns, along with the VAT paid, are then transmitted by the Member State of Identification to the corresponding Member States of consumption via a secure communications network.

The mini One Stop Shop VAT returns are additional to the VAT returns a taxable person renders to its Member State under its domestic VAT obligations.

The mini One Stop Shop is available to taxable persons which are established in the EU (the Union scheme), as well as taxable persons which are not established within the EU (the non-Union scheme). Without the mini One Stop Shop, the supplier would be required to register in each Member State in which he supplies services to his customers. The mini One Stop Shop scheme is optional for taxable persons.

However, in choosing to use the mini One Stop Shop the taxable person must apply the scheme in all relevant Member States. It is not an optional scheme on an individual Member State basis.

The legislation relating to the mini One Stop Shop is contained in a number of legislative acts (see Annex 1). In order to provide taxable persons and Member States with a clear understanding of the operation of the mini One Stop Shop, the Commission has brought the salient points together in the form of a Guide to the mini One Stop Shop. This Guide to the mini One Stop Shop covers four elements:

- The registration process, including deregistration;
- The return process;
- The payment process, including reimbursements;
- Miscellaneous, including record keeping.

For the purposes of these elements, it is important to clarify some basic concepts:

1) The concept of a taxable person in relation to the mini One Stop Shop

Under the Union scheme, a taxable person is a business (be it a company, a partnership or a sole proprietor) which has established its business or has a fixed establishment in the territory of the EU. The taxable person cannot use the mini One Stop Shop for supplies made in any Member State in which it has an establishment (business establishment or fixed establishment).

Under the non-Union scheme, a taxable person is a business (be it a company, a partnership or a sole proprietor) which has not established its business in the EU, nor has a fixed establishment there, and it is not registered or otherwise required to be identified for VAT in the EU.

2) The concept of the Member State of identification

The Member State of identification is the Member State in which the taxable person is registered for using the mini One Stop Shop, and where it declares and pays the VAT due in the Member State(s) of consumption.

Under the Union scheme, the Member State of identification has to be the Member State in which the taxable person has established its business – i.e. where a company has its head office, or a sole proprietor has his place of business.

However, if the taxable person does not have its business establishment in the EU, the Member State of identification is a Member State in which the taxable person has a fixed establishment. Where the taxable person has more than one fixed establishment, that taxable person can choose any Member State in which it has a fixed establishment to be its Member State of identification.

Under the non-Union scheme, the taxable person is free to choose its Member State of identification.

### 3) The concept of the Member State of consumption

The Member State of consumption is a Member State in which the taxable person makes supplies of telecommunications, broadcasting or electronically supplied services to non-taxable persons. For the Union scheme, the taxable person can have neither its business establishment, nor a fixed establishment, in this Member State. For the non-Union scheme, the taxable person can have no establishment whatsoever, nor be otherwise required to register for VAT, in that Member State.

In the non-Union scheme the Member State of identification can also be the Member State of consumption - i.e. the taxable person uses the mini One Stop Shop to account for and pay the VAT on supplies of telecommunications, broadcasting or electronically supplied services to customers in the Member State of identification.

It is important to note that the supplies under the mini One Stop Shop have taken place in the Member State of consumption, not the Member State of identification or the Member State of establishment. As such, the rules applicable in the Member State of consumption to domestic supplies apply to supplies under the mini One Stop Shop. These would include the rules relating to invoicing, cash accounting and bad debt relief.

### 4) The concept of a fixed establishment

For a fixed establishment to be considered as such, it should have a sufficient degree of permanence and a suitable structure in terms of human and technical resources to receive and use or to make the respective supplies. Simply having a VAT Identification number does not in itself mean that an establishment qualifies as a fixed establishment.

### 5) The concept of the Member State of establishment

The Member State of establishment is a Member State in which a taxable person has a fixed establishment. A taxable person may have established its business in the Member State of identification, but at the same time have fixed establishments in other Member States. Supplies from these fixed establishments to Member States of consumption must also be included in the mini One Stop Shop VAT return.

The Member State of establishment cannot be the Member State of consumption – any relevant supplies in this Member State must be declared via the domestic VAT return of the fixed establishment.

In addition, it is necessary to clarify that the purpose of this guide is to deal with the practical application of the mini One Stop Shop. Elements relating to the place of supply and the status of the customer will be subject to further guidance which will be forthcoming at a later date.

## Part 1a – Registration

### ***Background:***

A taxable person who opts to use the mini One Stop Shop is required to register in the Member State of identification. For the Union scheme this Member State will be the Member State in which the taxable person has established its business.

If a taxable person has not established its business in the EU, it will be the Member State in which it has a fixed establishment. If the taxable person has more than one fixed establishment in the EU, he is entitled to choose one of those Member States to be the Member State of identification. This is the only situation in which a taxable person can choose the Member State of identification under the Union scheme, and the taxable person is bound to that decision for the calendar year in which it makes that decision, plus the two following calendar years.

In all cases for the Union scheme, the taxable person will be identified for the mini One Stop Shop with the same individual VAT identification number with which it is identified for its domestic VAT returns.

For the non-Union scheme, the taxable person (who has neither a business establishment, nor a fixed establishment, nor is registered or otherwise obliged to register, in the EU<sup>1</sup>) can choose any Member State to be the Member State of identification. That Member State will allocate an individual VAT identification number to the taxable person (using the format EUxxxxxyyyz).

In both cases (Union and non-Union schemes), the taxable person can only have one Member State of Identification, and all supplies of telecommunications, broadcasting and electronically supplied services to non-taxable persons in a Member State in which it is not established must be declared via the mini One Stop Shop if the taxable person opts to use the mini One Stop Shop.

### ***Specific details:***

#### 1) Who can register for the mini One Stop Shop?

Any taxable person who makes supplies of telecommunications, broadcasting or electronically supplied services to non-taxable persons in a Member State where that taxable person has no establishment and is neither registered nor otherwise obliged to register can register for the mini One Stop Shop.

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<sup>1</sup> It should be noted – when distinguishing between the Union and non-Union schemes - that there are certain territories of EU Member States to which the VAT Directive 2006/112/EC does not apply which are listed in Article 6 of that Directive.

Two schemes are available:

Union scheme – A taxable person can register to use the mini One Stop Shop if that person has its place of business in the EU, or, if it does not have its place of business in the EU, has a fixed establishment in the EU.

Non-Union scheme – A non-EU taxable person can register to use the mini One Stop Shop if it has not established its business in the EU, it has no fixed establishment there, and it is not registered or otherwise required to be identified for VAT purposes in the EU.

This means that a non-EU taxable person which is registered for VAT purposes, or is required to be registered for VAT purposes in the EU but has no establishment there **cannot** use the non-Union scheme (because it is required to be identified for VAT purposes). Neither can that taxable person use the Union scheme (because it has no establishment in the EU). In such a case, the non-EU taxable person is required to register and account for VAT in each Member State in which it has a customer to whom the relevant services are supplied.

2) How to register for the mini One Stop Shop in the Member State of identification?

In order to register for the mini One Stop Shop, the taxable person is required to provide certain information to the Member State of identification. Member States are free to choose precisely how they collect this information from the taxable person, but it must be provided electronically. In practice, Member States will provide a web portal for the submission of this information.

The information will differ depending on whether the taxable person is registering to use the Union scheme or the non-Union scheme. It is important to note that, for the Union scheme, as the taxable person is already registered for VAT in the Member State of identification for its domestic supplies, that Member State may already have much of the required information.

Once the Member State of identification has received and validated the required registration details (see point 3 below), these are stored in its database and forwarded to the other Member States. A taxable person using the non-Union scheme will, at this point, receive an individual VAT identification number from the Member State of identification.

Annex 2 contains the registration information which Member States will forward to each other. As can be seen, there are certain elements which are common to both schemes, such as company name, trading name, full postal address etc. There are also elements which are relevant only for the Union scheme, such as VAT identification numbers of fixed establishments outside the Member State of identification, and there are elements which are only relevant to the non-Union scheme, such as a national tax number, and a declaration that the taxable person is not registered for VAT purposes within the European Union.

3) Does the Member State of identification carry out any checks on the registration details?

The Member State of identification will carry out certain checks on the registration information provided to ensure that the taxable person meets the conditions for using the scheme. It will, at minimum, check whether the taxable person is already registered for the mini One Stop Shop in another Member State, or whether the quarantine periods (see the section on deregistration) are still in effect.

As a result of these checks, the Member State of identification may refuse registration into the mini One Stop Shop. The taxable person has recourse to the national procedures in appealing against this decision.

4) Will the taxable person be allocated an individual VAT identification number?

Under the Union scheme, the individual VAT registration number is the same as that which is already allocated to the taxable person by the Member State of identification for domestic supplies. A taxable person cannot register for the Union scheme without this number.

Under the non-Union scheme, the Member State of identification will allocate the taxable person with an individual VAT identification number (using the format EUxxxxxyyyyz).

5) When will the registration take effect?

In a normal situation, the registration will take effect from the first day of the calendar quarter following that in which the taxable person informs the Member State of identification that it wishes to start using the scheme. So, as an example, if, on the 15<sup>th</sup> February 2016, a taxable person informs the Member State of identification that it wishes to commence using the scheme, and it provides the required information, the taxable person will be able to use the mini One Stop Shop for supplies made on or after the 1<sup>st</sup> April 2016.

However, there may be situations in which the taxable person starts making supplies under the scheme before this date. If this is the case, the scheme will start from the date of that first supply, provided the taxable person has informed the Member State of identification that it has commenced activities under the scheme by the tenth day of the month following that first supply. This deadline also applies to any amendment to the registration details where the taxable person has already informed the Member State of identification that it wishes to start from the beginning of the next quarter, but actually starts making supplies before that date. If the taxable person fails to meet this deadline, it is required to register and account for the VAT in the Member State(s) where his customer is located.

As an example, the taxable person above makes the first supply to a non-taxable person on the 1<sup>st</sup> March. As long as the Member State of identification is informed of this by the 10<sup>th</sup> April, the taxable person will have joined the special scheme as from the 1<sup>st</sup> March, and all subsequent supplies will be covered by that special scheme. This applies for both the Union scheme, and the non-Union scheme.

Annex 2 shows that there are three box numbers which relate to the date of registration. This is included in the registration information which the Member State of identification will send to the other Member States:

- Box 17: Date of commencement of using the scheme;

This is the date when the taxable person starts using the scheme.

- Box 18: Date of request to be registered under the scheme by the taxable person;

This is the date on which the taxable person informs the Member State of identification that it wishes to start using the scheme, and the required information is sent. In practice, it is the date the taxable person provides all the required registration details on the web portal.

- Box 19: Date of registration decision by the Member State of identification.

This is the date on which the Member State of identification, having checked that the information provided by the taxable person is valid, makes the decision to register the taxable person for the mini One Stop Shop.

The Member State of identification will confirm to the taxable person the date of registration decision by electronic means (this could possibly be on the mini One Stop Shop web portal).

6) What if a taxable person has fixed establishments in other Member States?

If a taxable person using the Union scheme has any fixed establishments outside the Member State of identification, the mini One Stop Shop registration details have to include the VAT identification number or tax reference number, and name and address of each of these fixed establishments in other Member States. This is required irrespective of whether or not the fixed establishment will carry out supplies of telecommunications, broadcasting or electronically supplied services. The requirements for this information can be found in Boxes 13.1 and 14.1 of Annex 2.

In addition, under the Union scheme, if a taxable person is registered for VAT in another Member State but is not established in that Member State (for example, because they are required to register for their distance sales of goods), that VAT identification number must be included in the mini One Stop Shop registration details (Box 15.1 of Annex 2).

If the taxable person has an establishment of any kind within the EU, or is otherwise required to register for VAT in the EU, he cannot use the non-Union scheme.

7) Can a taxable person make amendments to registration information?

The taxable person is legally obliged to inform the Member State of identification of changes to the registration information, at the latest the 10<sup>th</sup> day of the month following the change.

Amendments can be made to certain elements of the registration information, such as addresses, email addresses, contact details, list of fixed establishments, list of VAT identification numbers in other Member States etc., but the individual VAT identification number cannot be amended. Member States will define precisely how and what amendments to registration details can be made.

8) What happens to these amendments?

The registration information, including any amendments made to this information, is stored in a database of the Member State of identification. All Member States will, on request, have access to this information.

9) How is a VAT group treated?

Whilst it is acknowledged that Member States legislate for VAT groups domestically in different ways, as a practical solution for the particular circumstances of the mini One Stop Shop, a VAT group shall be treated in the following way:

- A VAT group can use the mini One Stop Shop, but when it registers, it must indicate that it is a VAT group using Box 20 of the registration information;
- A VAT group registers under the VAT identification number with which it is registered for its domestic supplies; where separate numbers are given at a domestic level to group members, a single number should be allocated to the VAT group at least to be used for the mini One Stop Shop registration<sup>2</sup>.
- If a member of the VAT group has, or will have, a fixed establishment in another Member State, the ties with that fixed establishment are broken for mini One Stop Shop registration purposes, and the supplies from that fixed establishment cannot be declared on the mini One Stop Shop VAT return of the VAT group.
- Similarly, supplies from the VAT group to the Member State of that fixed establishment shall be declared via the mini One Stop Shop VAT return, and not via the domestic VAT return of that fixed establishment.
- Therefore a VAT group cannot include any fixed establishments in other Member States in its mini One Stop Shop registration.

The Commission is aware that there are cases outstanding before the Court of Justice of the European Union relating to VAT groups, and as such this guidance may be revised in light of the judgment of the Court.

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<sup>2</sup> This can either be a new number or an existing number already allocated to a member of the group.

10) Registration prior to 1<sup>st</sup> January 2015

Member States will make their registration procedures available to taxable persons from 1<sup>st</sup> October 2014. This is in order to avoid the situation of a large number of taxable persons registering for the mini One Stop Shop on the 1<sup>st</sup> January 2015. If a taxable person registers for the procedure during the period from 1<sup>st</sup> October 2014 to 31<sup>st</sup> December 2014, the registration will come into effect from 1<sup>st</sup> January 2015.

11) Non-EU taxable persons already using the VAT on electronically supplied services scheme (VoeS)

For the non-Union scheme, taxable persons already registered in the VoeS system will retain their existing individual VAT Identification number.

12) Voluntary change of Member State of identification in cases where there is no change in the location of the business establishment or establishment(s).

A taxable person using the Union scheme may change his Member State of identification by choosing a different Member State where he has a fixed establishment, provided he still does not have his business established in the EU. In this case, the taxable person is bound to this decision for the calendar year concerned and the two calendar years following (see paragraph 2 of Article 369a of the VAT Directive).

A taxable person making use of the non-Union scheme can change his Member State of identification at any time without a corresponding blocking period.

In any case, this is a voluntary deregistration followed by registration. The taxable person therefore needs to get deregistered in the old Member State of identification and follow the registration procedure in the new Member State of identification according to the normal rules.

## **Part 1b – Deregistration/exclusion**

### ***Background***

A taxable person can leave either scheme voluntarily (deregistration), or it can be excluded from the scheme by the Member State of identification. Depending on the reasons for deregistration or exclusion, the taxable person may be barred from using either that particular scheme (Union scheme or non-Union scheme), or both schemes, for a certain period. This period is called the quarantine period.

### ***Specific details***

#### ***Deregistration***

- 1) How does a taxable person deregister from the mini One Stop Shop?

In order to deregister from the scheme, the taxable person is required to inform the Member State of identification at least 15 days before the end of the calendar quarter before that in which it intends to cease using the scheme. So, if a taxable person wants to deregister from the scheme from the 1<sup>st</sup> July, it must inform the Member State of Identification before the 15<sup>th</sup> June.

Member States will implement their own processes for notifying of the intention to deregister from the scheme, but it must be done electronically.

Once the taxable person has ceased using the scheme, obligations arising from supplies of telecommunications, broadcasting or electronically supplied services where VAT becomes chargeable after the date of cessation shall be discharged to the Member State(s) of consumption.

It is important to note that, in this instance, the taxable person is excluded from using the scheme it has left in any Member State for two calendar quarters.

- 2) What if a taxable person moves his business establishment, or fixed establishment, from the Member State of identification to another Member State?

If a taxable person moves its business establishment from one Member State to another, or if it ceases to be established in the Member State of identification, but wants to continue using the scheme from a Member State in which it has another fixed establishment, the taxable person will be required to deregister from the scheme in one Member State, and register for the scheme in another Member State.

In this instance, the date of deregistration/registration will be the date of the change (i.e. when the business in the Member State of identification closes), and there is no quarantine period. However, the taxable person is required to inform both Member States (the old

Member State of identification and the new Member State of identification) of the change no later than the 10<sup>th</sup> day of the month following the change.

As an example, a taxable person is established in the UK, and has registered for the mini One Stop Shop in the UK from 1<sup>st</sup> January 2015. Following a restructuring, the business establishment moves to France on 21<sup>st</sup> March 2017. To continue using the mini One Stop Shop, the taxable person will be required to deregister for the mini One Stop Shop in the UK, and register for the mini One Stop Shop in France. The date of deregistration in the UK, and registration in France, is 21<sup>st</sup> March 2017<sup>3</sup>. The taxable person has to inform both Member States of this change by 10<sup>th</sup> April 2017.

A failure to inform both Member States within this time period will result in the taxable person being required to register and account for the VAT in each Member State in which it has a customer with respect to its supplies made as of 21<sup>st</sup> March 2017 and a quarantine period being applied under the normal rules.

The same procedure applies in cases where the taxable person is moving from the Union to the non-Union scheme (or vice versa).

### ***Exclusion***

A taxable person shall be excluded from the scheme for the following reasons:

- It notifies that it no longer supplies telecommunications, broadcasting or electronically supplied services;
- It may be assumed that its activities under the special schemes have ceased
  - where it has made no supplies under the special scheme for 8 consecutive calendar quarters;
- It no longer meets the conditions necessary for using the scheme (for example, a taxable person using the non-Union Scheme is subsequently required to register in a Member State);
- It persistently fails to comply with the rules relating to the scheme – this is defined as being so in at least the following cases:
  - Reminders to render a return have been sent to the taxable person for three immediately preceding calendar quarters, and the VAT return has not been submitted for each return within 10 days of the reminder;
  - Reminders to make a payment have been sent to the taxable person for three immediately preceding calendar quarters, and the full amount has not been paid within 10 days of receiving each of these reminders, unless the outstanding amount for each return is less than €100;
  - Where the taxable person has failed to make its records electronically available to the Member State of identification or Member State of consumption within one month of a subsequent reminder by the Member State of identification.

Whilst any Member State can ask that the Member State of identification excludes the taxable person, only the Member State of identification can take the decision of whether or not to

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<sup>3</sup> Supplies made on 21st March 2017 shall be included in the French mini One Stop Shop declaration.

exclude. A taxable person can appeal the exclusion decision according to national procedures that apply in the Member State of identification.

### ***Quarantine period***

The quarantine period is the period during which the taxable person is excluded from using one or both of the schemes in the mini One Stop Shop. A quarantine period applies in the following cases only:

- a. The taxable person notifies the Member State of identification that it no longer supplies telecommunications, broadcasting or electronically supplied services – there is a quarantine period of two calendar quarters from the date of cessation. The quarantine only applies to the scheme the taxable person was in;
- b. The taxable person voluntarily leaves the scheme – there is a quarantine period of two calendar quarters from the date of cessation. The quarantine only applies to the scheme the taxable person was in;
- c. The taxable person persistently fails to comply with the rules relating to the special scheme – there is a quarantine period of 8 calendar quarters from the date of cessation. This quarantine applies to both schemes;
- d. The taxable person is excluded because he no longer meets the conditions necessary to use the respective special scheme – no quarantine period applies;
- e. The taxable person is assumed to have ceased his activities subject to a special scheme because he has made no supplies of services covered by that scheme for 8 consecutive calendar quarters - no quarantine period applies.

### ***Date on which exclusion becomes effective***

Where the taxable person voluntarily leaves the scheme, the cessation shall be effective as of the first day of the next calendar quarter.

Where the taxable person notifies the Member State of identification that it no longer supplies telecommunications, broadcasting or electronically supplied services or persistently fails to comply with the rules relating to the special scheme, the exclusion shall be effective as from the first day of the calendar quarter following the day on which the decision on exclusion is sent by electronic means to the taxable person. However where the exclusion is due to a change of place of taxable person or fixed establishment, the exclusion shall be effective as from the date of that change provided the information about the change is communicated by the taxable person to both Member States no later than the tenth day of the month following that change.

## Part 2 – Mini One Stop Shop VAT returns

### *Background*

A taxable person using either of the special schemes is required to submit, by electronic means, a mini One Stop Shop VAT return for each calendar quarter, whether or not it has actually supplied telecommunications, broadcasting, or electronically supplied services (where no supplies in the EU have been carried out for that quarter, a 'nil return' is submitted). The mini One Stop Shop VAT return (and accompanying payment) is required to be submitted within 20 days of the end of the period covered by the return.

The mini One Stop Shop VAT return contains the details of supplies made to customers in each Member State of consumption by the taxable person using the scheme and, for the Union scheme, by each fixed establishment.

The Member State of identification splits the mini One Stop Shop VAT return by Member State of consumption, and forwards the details to the various Member States of consumption and establishment.

The Member State of identification generates a unique reference number for each mini One Stop Shop VAT return, and informs the taxable person of this number. This number is important, as the taxable person must make a reference to it when it makes the corresponding payment.

### *Specific details*

#### 1) What supplies are included on the mini One Stop Shop VAT return?

The information to be included on the mini One Stop Shop VAT return relates to the supplies made under the mini One Stop Shop scheme, that is, supplies of telecommunications, broadcasting and electronically supplied services to non-taxable persons. For the non-Union scheme, this is all such supplies made in the EU under the scheme (including supplies in the Member State of identification).

For the Union scheme, this is all such supplies made, either by the business establishment, or any of its fixed establishments, in a Member State of consumption.

It is important to note that, where a taxable person has an establishment in a Member State, all supplies of telecommunications, broadcasting or electronically supplied services made by that taxable person to private consumers in that Member State are declared via the domestic VAT returns of that establishment, and not on the mini One Stop Shop. This applies to supplies made by establishments of the taxable persons outside the Member State as well as by the establishment in that Member State. It does not apply to Member States where the taxable person has a VAT registration but does not have any fixed establishments.

An example is as follows:

- Taxable person A has its head office in the UK, and fixed establishments in France and Belgium.
- The head office makes supplies of telecommunications to private persons in France and Germany.
- The fixed establishment in Belgium makes supplies of telecommunications to private persons in France and Germany.
- Taxable person A declares its supplies in Germany via the mini One Stop Shop return in the UK, but it has to declare its supplies in France via the domestic VAT return of the French fixed establishment.

2) When does a mini One Stop Shop VAT return need to be submitted?

The taxable person is required to submit the mini One Stop Shop VAT return electronically to the Member State of identification within 20 days of the end of the return period.

A return period is one calendar quarter, so the first period is 1<sup>st</sup> January to 31<sup>st</sup> March, the second 1<sup>st</sup> April to 30<sup>th</sup> June, the third 1<sup>st</sup> July to 30<sup>th</sup> September, and the fourth 1<sup>st</sup> October to 31<sup>st</sup> December.

The submission dates then, for each of these periods, are 20<sup>th</sup> April, 20<sup>th</sup> July, 20<sup>th</sup> October, and 20<sup>th</sup> January.

There is no change to the deadline for the submission of the return if this date falls on the weekend or a public holiday.

The taxable person may not submit the mini One Stop Shop VAT return before the end of the return period.

3) What will happen if the mini One Stop Shop VAT return is not submitted in time?

If the taxable person has not submitted a return within 30 days of the end of the return period, the Member State of identification shall issue a reminder by electronic means of the taxable person's obligation to submit a return and payment.

Any further reminders will be issued by the Member State(s) of consumption. Notwithstanding the explanations given under point 17, the return shall always be submitted electronically to the Member State of identification. Any penalties and charges relating to the late submission of the returns fall under the competence of the Member State of consumption, according to its rules and procedures.

It should be borne in mind that if the taxable person receives a reminder for three consecutive quarters, and does not submit the return within 10 days of each of these reminders being issued, he will be considered to have persistently failed to comply with the rules of the scheme, and will therefore be excluded.

4) What specifically is included on the mini One Stop Shop VAT return?

The precise details are laid out in Annex III of the Commission Implementing Regulation 815/2012 (reproduced here in [Annex 3](#)). In essence, for each Member State of consumption, the taxable person is required to include the total supplies at the standard and reduced rate<sup>4</sup>, and the VAT at the standard and reduced rate (the VAT rates for each Member State will be published by the Commission).

- Part 1 of the mini One Stop Shop VAT return contains general information. The unique reference number is a number allocated by the Member State of identification to that VAT return.
- Part 2 of the mini One Stop Shop VAT return contains information specific to each Member State of consumption.
  - Part 2a relates to information concerning the Member State of identification. For the Union scheme, this is supplies made from the establishment in the Member State of identification to that Member State of consumption. For the non-Union scheme, this is all supplies to that Member State of consumption.
  - Part 2b only concerns the Union scheme, and relates to supplies made to the same Member State of consumption by taxable persons not in the Member State of identification (i.e. fixed establishments in other Member States).
  - Part 2c is a grand total of all supplies from all establishments to that Member State of consumption, and again, only concerns the Union scheme.

For example, if a taxable person carries out supplies in three Member States of consumption, he will be required to complete Part 2 of the mini One Stop Shop VAT return three times, once for each Member State of Consumption.

5) What is not included on the mini One Stop Shop return?

If a taxable person has made no supplies under the mini One Stop Shop in a particular Member State of consumption in the return period, then it is not required to include that Member State of consumption in its mini One Stop Shop VAT return, irrespective of whether it has previously made supplies in that Member State of consumption.

For example, in the first quarter a taxable person established in Germany makes supplies in Italy and the UK, and completes part 2 of the return twice, once for supplies in Italy, and once for supplies in the UK. In the following quarter, the same taxable person only makes supplies in Italy. The taxable person is then only required to complete part 2 of the return once, for the supplies in Italy. There is no requirement to complete part 2 of the return detailing 'zero' supplies in the UK.

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<sup>4</sup> In some cases, more than two VAT rates can be required in a VAT return. This can e.g. appear where a Member State has changed the respective VAT rate in the course of the return period.

In addition, supplies exempted in a Member State of consumption, which may include certain e-gambling or e-education, must not be included on the mini One Stop Shop return.

6) What is the unique reference number?

Once the taxable person has submitted its mini One Stop Shop VAT return, it will be informed of the unique reference number of the return. This number is the number the taxable person is required to refer to when it makes the corresponding payment. The number consists of the country code of the Member State of identification, the individual VAT identification number of the taxable person, and the return period.

7) Can a taxable person offset VAT on business expenses incurred in the Member State of consumption on its mini One Stop Shop VAT return?

No. Any VAT on business expenses incurred in the Member State of consumption cannot be offset against supplies declared on the mini One Stop Shop VAT return. Those expenses must be claimed via the Electronic VAT Refund Mechanism (under Council Directive 2008/9/EC) for the Union scheme, or the 13<sup>th</sup> VAT Directive (Council Directive 86/560/EEC) for the non-Union scheme, or via the domestic VAT return if the taxable person is registered (but not established) in the Member State of consumption.

8) What if no supplies are made in any Member State of consumption in a particular quarter?

If a taxable person makes no mini One Stop Shop supplies whatsoever throughout the EU in a quarter, it is required to submit a 'nil return'.

A "nil return" means in practice the following: For the Union scheme, the taxable person is required to complete on the mini One Stop Shop VAT Return (see annex 3) Boxes 1 (individual VAT identification number); 2 (VAT period) and 21 (total VAT payable by all establishments = zero), and for the non-Union scheme, it is required to complete Boxes 1, 2 and 11 (total VAT payable = zero).

9) Can a taxable person correct a return?

Any adjustments must be made by a correction of the original return and not by an amendment to any later returns.

The Member State of identification will allow the taxable persons to make corrections to mini One Stop Shop VAT returns electronically within three years of the date on which the initial return was required to have been submitted<sup>5</sup>. The Member State of identification will then forward this correction to the Member State(s) of consumption concerned. Any additional payment due to the Member State(s) of consumption shall be paid by the taxable person to the Member State of identification for distribution. If

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<sup>5</sup> This applies even where the taxable person has meanwhile stopped using the scheme.

the amendment results in a reimbursement from the Member State(s) of consumption, this will be paid directly to the taxable person by that Member State(s).

Nevertheless, the Member State of consumption may accept corrections after the expiry of this three year period, in accordance with its national rules, in which case the taxable person would be required to contact the Member State of consumption directly. Such corrections are not part of the mini One Stop Shop scheme.

10) What if a credit note is raised in a later quarter?

The credit note should be dealt with by an adjustment to the mini One Stop Shop VAT return for the period in which the supply was declared.

11) Can a taxable person submit a negative return?

No. If a credit note is raised, or there is a partial or non-payment (bearing in mind the rules in the Member State of consumption on bad debt relief), an adjustment must be made to the mini One Stop Shop VAT return in which the original supply was declared.

12) Who has access to mini One Stop Shop VAT return information?

The Member State of identification stores the mini One Stop Shop VAT return information in its database, which is accessible to the relevant authorities in any Member State.

13) In what currency is the mini One Stop Shop VAT return to be made out?

The mini One Stop Shop return should be made out in Euro, although Member States of identification which have not adopted the Euro may require the mini One Stop Shop return to be made out in their national currency. However, when they transfer the return information to the other Member States, the amount will be converted into Euros using the exchange rate as published by the European Central Bank on the last day of the reporting period.

14) Can a mini One Stop Shop VAT return be saved half way through?

Yes. Member States' web portals will allow for the taxable person to save the mini One Stop Shop VAT return for completion at a later date.

15) Is electronic file transfer allowed?

Yes, Member States' web portals will allow for the uploading of mini One Stop Shop VAT return data via electronic file transfer.

16) Can agents submit mini One Stop Shop VAT returns?

Agents will be able to submit mini One Stop Shop VAT returns on behalf of their clients in accordance with the rules and procedures in the Member State of identification.

17) What if no mini One Stop Shop VAT return has been submitted?

If no mini One Stop Shop VAT return has been submitted, despite reminders from the Member States, the taxable person remains able to submit the return to the Member State of identification for three years after the return due date. If the taxable person submits the return after this date, it shall be submitted directly to the relevant Member State(s) of Consumption.

## Part 3: Payments

### *Background*

The taxable person pays the VAT due to the Member State of identification. It pays one amount, for the total of the return (i.e. for every Member State of consumption). The Member State of identification then distributes the money to the various Member States of consumption. Under the Union scheme, the Member State of identification retains a percentage of this money until 31<sup>st</sup> December 2018 (the retention period).

### *Specific details*

- 1) How does a taxable person perform payments to its Member State of identification?

The Member State of identification will outline how payment is to be made by the taxable person. The payment must include a reference to the mini One Stop Shop VAT return (i.e. to the unique reference number allocated by the Member State of identification).

- 2) When is the taxable person obliged to pay the outstanding VAT?

The payment should be made when the mini One Stop Shop VAT return is rendered, along with a reference to the unique reference number of that return. However, if the payment is not made when the return is rendered, it should be made at the latest when the return was due. As an example, if a taxable person renders the mini One Stop Shop VAT return on the 10<sup>th</sup> day of the month following the end of the tax period, it has until the 20<sup>th</sup> day of that month to make the payment.

The taxable person should be aware that payment is considered as being made when it reaches the bank account of the Member State of identification. In addition, the Member State of identification cannot offer any payment plans, or similar delayed payment mechanisms, relating to payments under the mini One Stop Shop.

- 3) What happens if the payment is not made?

If the taxable person either fails to make a payment, or does not pay the full amount, the Member State of identification shall send a reminder electronically on the 10<sup>th</sup> day following the day on which the payment was due.

It should be borne in mind that if the taxable person receives a reminder from the Member State of identification for three consecutive quarters, and does not pay the full amount of VAT within 10 days of each of these reminders being issued, it will be considered to have persistently failed to comply with the rules of the schemes, and will be excluded, unless the amounts unpaid are less than EUR 100 for each quarter.

4) What happens if the taxable person still does not pay the VAT?

Subsequent reminders and steps taken to collect the VAT shall be the responsibility of the Member State of consumption. If the Member State of consumption sends a reminder, the taxable person can no longer pay the outstanding VAT to the Member State of identification, and must pay it directly to the Member State of consumption. Where the taxable person, despite this, pays the money to the Member State of identification, this money will not be forwarded by the Member State of identification to the Member State of consumption, but returned to the taxable person.

Any penalties and charges relating to the late submission of the payment fall outside the mini One Stop Shop system and are the responsibility of the Member State of consumption, according to its rules and procedures.

5) What happens if there has been an overpayment of the VAT amount?

There are two instances of an overpayment being made, as follows:

- When the Member State of identification receives a payment, this is compared to the VAT return. If that Member State sees that the amount paid by the taxable person is more than the amount on the VAT return, the Member State of identification returns the overpaid amount to the taxable person according to its national legislation and procedures.
- If the taxable person realises that a mistake has been made on the VAT return and makes a correction which leads to an overpayment, then, if this correction is made before the Member State of identification has distributed the money to the Member State(s) of consumption, the Member State of identification returns the overpaid amount. If the correction is made after the Member State of identification has distributed the money to the Member States of consumption, then the Member State of consumption shall return the overpayment directly to the taxable person according to its national legislation and procedures (as long as that Member State agrees with the correction). Until 31<sup>st</sup> December 2018, the Member State of identification shall also return the retained amount of the overpayment directly to the taxable person according to its national legislation and procedures, once the Member State of consumption has agreed<sup>6</sup> the amendment.

Whilst it is a matter for national administrations to decide, the Commission recommends that overpayments are reimbursed to the taxable person within 30 days of the tax administration agreeing with the correction. The repayment may also be offset against other liabilities with the Member State of consumption concerned if national legislation allows this.

6) What if the taxable person corrects the mini One Stop Shop VAT return in such a way as to show that there has been an overpayment to one Member State, and an underpayment of the same amount to another Member State?

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<sup>6</sup> The Member State of consumption will inform the Member State of identification about the reimbursement made.

Once the correction is agreed, the overpaid Member State is required to reimburse the money directly to the taxable person, on the basis of the information on the corrected mini One Stop Shop VAT return. The taxable person is required to pay the VAT due to the underpaid Member State via the mini One Stop Shop when the correction is made. Where a Member State of identification has received an amount in respect of a VAT return subsequently found to be incorrect (e.g. because of a correction received from the taxable person), and that Member State has not yet distributed that amount to the Member State(s) of consumption, the Member State of identification shall reimburse the overpaid amount directly to the taxable person concerned.

7) Matching the payment to the mini One Stop Shop VAT return using the unique reference number

Each mini One Stop Shop VAT return has a unique reference number, so it is imperative that when the payment is made, a reference is made to this number. If the taxable person makes a payment without a reference to this number, or the reference number does not correspond to any outstanding mini One Stop Shop VAT return, the Member State of identification may initially take some steps to clarify the issue. If not, or the issue remains unresolved, the payment will be returned to the taxable person and it will have been considered to have made a late payment if the deadlines for resubmission of the payment have not been respected.

8) What happens during the retention period?

For mini One Stop Shop VAT return periods from 1<sup>st</sup> January 2015 to 31<sup>st</sup> December 2016, the Member State of identification retains 30% of the VAT payments to be transferred to the Member States of consumption under the Union scheme. From 1<sup>st</sup> January 2017 to 31<sup>st</sup> December 2018, this percentage is 15%, before dropping to 0% from 1<sup>st</sup> January 2019.

This is a retention fee on payments between Member States only; it does not affect the amount of VAT to be paid by the taxable person. Although the taxable person should be aware that, where they are due a reimbursement resulting from a correction, during the retention period they may receive repayments from both the Member State(s) of consumption and the Member State of identification.

## **Part 4: Miscellaneous**

### ***Records***

- 1) What records should be kept by the taxable person?

The records which should be kept by the taxable person are laid out in Council Regulation 967/2012 (Article 63c). This includes general information such as the Member State of consumption of the supply, the type of supply, the date of the supply and the VAT payable, but also more specific information, such as details of any payments on account and information used to determine the place where the customer is established, has his permanent address or usually resides.

- 2) How long should they be retained for?

These records must be kept for 10 years from the end of the year in which the transaction was made, regardless of whether they have stopped using the scheme or not.

- 3) How does the taxable person make these records available to the tax authority?

These records have to be made electronically available, on request, to the Member State of identification or any Member State of consumption without delay. The Member State will provide information of how this is to be done practically when the records are requested.

It should be borne in mind that a failure to make these records available within a month of receiving a reminder from the Member State of identification will be regarded as persistent failure to comply with the rules relating to the scheme and will result in exclusion from the scheme.

### ***Invoicing***

In relation to invoices, the rules of the Member State of consumption apply. Therefore taxable persons will need to ensure that they are aware of the relevant rules in Member States where they make supplies to consumers. Information regarding Member States' rules on invoicing will also be made available on the Commission website.

### ***Bad debt relief***

- 1) What happens if a Member State of consumption offers bad debt relief? How is this accounted for in the mini One Stop Shop?

When the customer does not pay the taxable person, that taxable person may be entitled to bad debt relief. In such cases, the taxable amount should be reduced accordingly. In the context of the mini One Stop Shop, the taxable person should make an amendment to the taxable amount in the original mini One Stop Shop return, as he would with any adjustment. The Member

State of consumption is entitled to check this amendment to ensure that it complies with their national rules.

## **Annex 1 – The Legislation**

- Council Directive 2006/112/EC on the common system of value added tax (as amended by Council Directive 2008/8/EC);
- Council Regulation (EU) No 904/2010 on administrative cooperation and combating fraud in the field of value added tax (recast);
- Council Regulation (EU) No 967/2012 amending Implementing Regulation (EU) No 282/2011 as regards the special schemes for non-established taxable persons supplying telecommunications services, broadcasting services or electronic services to non-taxable persons;
- Commission Implementing Regulation (EU) No 815/2012 laying down detailed rules for the application of Council Regulation (EU) No 904/2010, as regards special schemes for non-established persons supplying telecommunications, broadcasting or electronic services to non-taxable persons;
- In addition, the Standing Committee on Administrative Cooperation (SCAC) has adopted the functional and technical specifications.

## Annex 2 – The registration details.

Column A	Column B		Column C
<b>Box number</b>	<b>The non-Union scheme</b>		<b>The Union scheme</b>
1	Individual VAT identification number allocated by the Member State of identification in accordance with Article 362 of Directive 2006/112/EC <sup>7</sup>		Individual VAT identification number allocated by the Member State of identification in accordance with Article 369d of Directive 2006/112/EC, including the country code
2	The national tax number, if any		
3	The company name		The company name
4	The trading name(s) of the company if different from the company name		The trading name(s) of the company if different from the company name
5	The full postal address <sup>8</sup>		The full postal address <sup>9</sup>
6	The country in which the taxable person has his place of business		The country in which the taxable person has his place of business if not in the Union
7	The email address of the taxable person		The email address of the taxable person
8	The website(s) of the taxable person where available		The website(s) of the taxable person where available
9	Contact name		Contact name
10	Telephone number		Telephone number
11	IBAN or OBAN number		IBAN number
12	BIC number		BIC number
13.1			Individual VAT identification number(s) or if not available, tax

<sup>7</sup> To follow format: EUxxxxxyyyyz where: xxx is the 3 digit ISO numeric of the Member State of identification; yyyyy is the 5 digit number assigned by Member State of identification; and z is a check digit.

<sup>8</sup> Postcode to be indicated if there is one

<sup>9</sup> Postcode to be indicated if there is one

			reference number(s) allocated by the Member State(s) in which the taxable person has a fixed establishment(s) <sup>10</sup> other than in the Member State of identification
14.1			Full postal address(es) and trading name(s) of fixed establishments <sup>11</sup> other than in the Member State of identification
15.1			VAT identification number(s) allocated by Member State(s) as a non-established taxable person. <sup>12</sup>
16	Electronic declaration that the taxable person is not registered for VAT within the Union		
17	Date of commencement of using the scheme <sup>13</sup>		Date of commencement of using the scheme <sup>14</sup>
18	Date of request to be registered under the scheme by the taxable person		Date of request to be registered under the scheme by the taxable person
19	Date of registration decision by the Member State of identification		Date of registration decision by the Member State of identification
20			Indicator of whether the taxable person is a VAT group <sup>15</sup>
21	Individual VAT identification number(s) allocated by the Member State of identification in accordance with Articles 362 or 369d of Directive 2006/112/EC if they have previously used either scheme.		Individual VAT identification number(s) allocated by the Member State of identification in accordance with Articles 362 or 369d of Directive 2006/112/EC if they have previously used either scheme.

<sup>10</sup> Where there is more than one fixed establishment, use box 13.1, 13.2, etc.

<sup>11</sup> Where there is more than one fixed establishment, use box 14.1, 14.2, etc.

<sup>12</sup> Where there is more than one VAT identification number allocated by Member State(s) as a non-established taxable person, use box 15.1, 15.2 etc.

<sup>13</sup> This can be in certain limited cases prior to the date of registration onto the scheme.

<sup>14</sup> This can be in certain limited cases prior to the date of registration onto the scheme.

<sup>15</sup> This is a simple yes/no tick box.

## Annex 3 – The mini One Stop Shop return Details.

<b>Part 1: General information</b>			
<b>Column A</b>	<b>Column B</b>		<b>Column C</b>
<b>Box number</b>	<b>The non-Union scheme</b>		<b>The Union scheme</b>
<b>Unique reference number<sup>16</sup>:</b>			
1	Individual VAT identification number allocated by the Member State of identification, in accordance with Article 362 of Directive 2006/112/EC		Individual VAT identification number allocated by the Member State of identification, in accordance with Article 369d of Directive 2006/112/EC, including country code
2	VAT period <sup>17</sup>		VAT period <sup>18</sup>
2a	Start date and end date of period <sup>19</sup>		Start date and end date of period <sup>20</sup>
3	Currency		Currency
<b>Part 2: For each Member State of consumption in which VAT is due<sup>21</sup></b>			
			<b>2a) Supplies carried out from the place of business or fixed establishment in the Member State of identification</b>
4.1	Country code of the Member State of consumption		Country code of the Member State of consumption
5.1	Standard VAT rate in the Member State of consumption		Standard VAT rate in the Member State of consumption
6.1	Reduced VAT rate in the Member		Reduced VAT rate in the Member

<sup>16</sup> Unique reference number as allocated by the Member State of identification shall consist of country code of Member State of identification/VAT number/period – i.e. GB/xxxxxxxx/Q1.yy + add timestamp for each version. The number shall be attributed by the Member State of identification before transmission of the return to the other Member States concerned.

<sup>17</sup> Relates to calendar quarters: Q1.yyyy –Q2.yyyy –Q3.yyyy Q4.yyyy

<sup>18</sup> Relates to calendar quarters: Q1.yyyy –Q2.yyyy –Q3.yyyy Q4.yyyy

<sup>19</sup> To be completed only in cases where the taxable person submits more than one VAT return for the same quarter. Relates to calendar days: dd.mm.yyyy – dd.mm.yyyy.

<sup>20</sup> To be completed only in cases where the taxable person submits more than one VAT return for the same quarter. Relates to calendar days: dd.mm.yyyy – dd.mm.yyyy.

<sup>21</sup> Where there is more than one Member State of consumption (or if in a single Member State of consumption there has been a VAT rate change in the middle of a quarter), use box 4.2, 5.2, 6.2 etc.

	State of consumption		State of consumption
7.1	Taxable amount at standard rate		Taxable amount at standard rate
8.1	VAT amount at standard rate		VAT amount at standard rate
9.1	Taxable amount at reduced rate		Taxable amount at reduced rate
10.1	VAT amount at reduced rate		VAT amount at reduced rate
11.1	Total VAT amount payable		Total VAT amount payable for supplies of services carried out from the place of business or fixed establishment in the Member State of identification
			<b>2b) Supplies carried out from fixed establishments not in Member State of identification<sup>22</sup></b>
12.1			Country code of the Member State of consumption
13.1			Standard VAT rate in the Member State of consumption
14.1			Reduced VAT rate in the Member State of consumption
15.1			Individual VAT identification number, or if not available tax reference number, allocated by the Member State of fixed establishment, including country code
16.1			Taxable amount at the standard rate
17.1			VAT amount payable at the standard rate
18.1			Taxable amount at the reduced rate
19.1			VAT amount payable at the reduced rate
20.1			Total VAT amount payable for supplies of services carried out from fixed establishment not in Member

<sup>22</sup>

Where there is more than one establishment, use box 12.1.2, 13.1.2 14.1.2 etc.

			State of identification.
			<b>2c) Grand total for the place of business or fixed establishment in the Member State of identification, and all fixed establishments in all other Member States</b>
21.1			Total VAT amount payable by all establishments (Box 11.1 + Box 11.2... + Box 20.1 + Box 20.2...)