



Aan de leden van de werkgroep ODB MLT

verslag

ODB e-commerce consultation group 9-2-2021

Description	Meeting ODB e-commerce consultation group
Date	9-2-2021
Location	Videomeeting
Present	Customs administration, Tax administration, ACN, ADS, evofenedex, FENEX, RB, TLN, businesses.
Copy to	Members ODB-MLT working group, chairs other ODB-working groups

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Kbg

Auteur
ODB secretaris

Kopie aan

Bijlagen
Bijlage 1 - actiepuntenlijst

1. Opening

The chair opens the video meeting and welcomes the participants of this ODB e-commerce consultation group. An umbrella organisation raised some questions before the meeting which will be shared with the group after the meeting.

Action

A business raises the following questions: Is there an implementation schedule or a working back plan? Is there a communication plan for the market sale sellers? The chair replies that these questions can be addressed as much as possible at the relevant agenda points. The agenda was adopted.

2. Introduction of this consultation group

The participants introduce themselves to the group. The group consists of representatives of Customs administration, the Tax administration, umbrella organisations and some businesses which are active in the field of postal and e-commerce. The list of participants is shared after the meeting.

3. Scope of the consultation group

The e-commerce consultation group falls under the umbrella of ODB/NCTF and therefore the ODB-protocol is applicable. This means reporting at the working group ODB MLT via the meeting minutes, which also will be made public. If there are specific business issues which are not to be shared with other businesses this can be shared with Customs or the Tax administration in a separate way. Members are requested to mention this specifically when sharing information.

Last year a consultation group was formed specially for technical details concerning DECO and the H7 dataset. The group met once. That group is combined with this consultation group which has the scope of matters on e-commerce in general, including challenge for DECO. The chair underlines that ODB is not a consultant company and emphasizes that an open dialogue in the group is important. The basis for the discussion on e-commerce in this group lies not in the legislation but in the implementation of it. Although the legislation is a fact, outcomes of this group can be shared with the European Commission, once legislative constraints have been determined. The common goal is to look together for solutions and a smooth implementation.

4. EU/WCO

- EU guidance documents e-commerce for VAT and Customs

The EU has published two guidance documents on e-commerce, one for VAT and one for Customs. They give a lot of information and answers with regard to many questions.

The internet link to the VAT Guidance document:

https://ec.europa.eu/taxation_customs/sites/taxation/files/vatecommerceexplanatory_notes_30092020.pdf

The internet link to Customs Guidance document:

https://ec.europa.eu/taxation_customs/sites/taxation/files/guidance_on_import_and_export_of_low_value_consignments_final.pdf

- EU PG low value consignments Platforms

In 2020 the EU has started a project group on Platforms. This PG will aim to explore (2020-2022) how (information of) e-commerce platforms can be best integrated in the customs entry and import processes in the most efficient and effective manner, without major disruptions or disproportionate administrative burdens on customs administrations and economic operators.

For this reason, next to customs administrations, integrated couriers, postal operators and several platforms are participating in this PG.

- WCO website for e-commerce from March 2021

The Customs administration states that in March of this year a dedicated website for e-commerce will be launched by the WCO. All the relevant WCO documents will be published there.

5. DECO

- open issues meeting January 21, 2021

Customs shares the DECO milestone planning which was presented at the DECO group meeting on January 21, 2021, but the dates are slightly changed due to a delay. DECO is not ready for BTO (Business Test Environment) but will be March or April. In April/May DECO will be ready for conformance testing with Brussels. May/June Deco will be ready for the pilot with a few selected businesses. DECO will go live July 2021. The BTO will be ready by the end February or at the beginning of March and then open for developers to test the software. The emergency procedure will be published as soon as possible.

On the question until when at the latest business can choose between the different kind of systems Customs replies that it's important to know that DECO is developed for the users of the SRD (H7) in the Netherlands. iOSS and the special arrangement are only possible when using the SRD. The SRD is also required for

all shipments that are subject to the articles 23 or 25 Reg. (EC) 1186/2009 (waiver \leq € 150 i.e. \leq € 45), regardless if iOSS or SA are applied. The use of AGS is not allowed anymore for these shipments, with the exception of imports coming from the UK and goods that are subject to prohibitions and restrictions. This is a consequence of implementation choices that have been made by the Customs administration of the Netherlands.

A business asks how the obligation to lodge declarations for low value consignments in the Member State of destination (unless iOSS is used) matches with centralised clearance. Customs replies that this issue was raised by NL at the Commission, but no answer was provided yet.

A business asks if B-to-B consignments are subject to the rule to declare shipments in the MS of destination. Customs replies that this indeed is the case. CP42 (art. 143 VAT Directive) is not allowed anymore for low value consignments. However, low value consignments that are being declared by businesses with the Dutch deferred payment for VAT (article 23 NL Vat Law) on behalf of a fiscal representative, are considered to be destined for N. Subsequent to importation the Fiscal Representative will do an intra community VAT supply tot the MS of destination. These goods need to be declared in AGS. It's important to realise that DECO is only for BtoC and not for BtoB.

6. Venue

- UK declarations

- Phase out

For duty relief with regard to articles 23/25 Reg. (EC) 1186/2009 the use of DECO is obligatory from July 1, 2021. On request for companies Venue will remain possible for the import of UK goods. There will be a phase out of Venue up to 1-1-2023. For the use of Venue a licence is necessary but no new licenses will be issued within 3 months before the end of life of Venue. From 1-7-2021 iOSS and Special Arrangement are not possible in Venue, also not for goods coming from the UK, these goods must be declared in Deco. Venue will stay available for export until 1-1-2023. For UK shipments (all values, not iOSS and not Special Arrangement) Venue will be available until 1-1-2023.

7. E-commerce and brexit Exchange of views

The Customs and the Tax administration are interested in the experiences of business UK iOSS like system. There is the abolishment of tax duty relief and there is an iOSS-like procedure. The customs and tax administration know there are trade flows coming from UK into NL and would like to be as prepared as possible and are interested for a good preparation for new coming trade. Or for the use of the normal procedure. During the meeting the businesses have no relevant experiences to share. The businesses are welcome to share the experiences with Customs and Tax administration at a later moment or even without sharing them to other businesses.

8. Tax Administration

The Tax Administration gives a presentation with regard to e-Commerce.

- *update on the registration process for IOSS.*

For the Netherlands the registration for iOSS is direct at the Tax Administration via the *Mijn Belastingdienst Zakelijk* portal. An eHerkenning account with security level 3 is necessary. eHerkenning is a commercially provide login too, so for eHerkenning a fee is required. A compensation is in place when the tool only is to be used for tax declarations. This will be communicated as part of the communication plan. Dutch companies can register directly for iOSS, for non EU

business an intermediary is necessary. The timeline is set and a communication plan is in place. Due to organizational choices the desired registration system in the Netherlands will not yet be in place at 1-7-2021. For the time being a so called "emergency track" has been developed. Using this emergency track allows companies to use the voluntary arrangement as of 1-7-2021 but with a lower level of service. For non-EU businesses that want to register for the non-EU-scheme a different web-environment will be in place.

The emergency track consists of three major steps: There is upfront interaction between business and the Tax Administration, the shared information has to be processed by the Tax Administration and the outcome of this process has to be shared with the business and Member-States. The upfront interaction will be organised via the portal/web environment and therefore this communication will be digital. The process in between will be mainly a manual process which might cause some issues. So the Tax Administration is interested in the insights of the coming period for an open discussions with business. There will be a round table meeting, of which the results will be shared with this consultation group.

One business raises the point that there can be a liability problem when companies do not receive updates during the process. The business asks if there will be lenience in sanctioning during this period? The Tax Administration replies to address this topic in an upcoming meeting (if applicable) and work on it together.

Another business asks if the iOSS portal is open as of 1-4-2021? The Tax Administration replies that this is the planning. The business indicates that this might be something for sellers which use a platform, as a direct sale and then the iOSS registration of the platform should be used.

The Tax Administration has no indication on how many businesses want to register. An umbrella organisation replies that this also depends on the responsibilities and liabilities connected to iOSS. They'll ask the internal financial experts and will come back on that.

The business asks if a communication plan for consumers is planned? The Tax administration replies that there is a combined communication plan. Tax for businesses and customs to consumers. The campaign will start in March for businesses and in May 2021 for the consumers. The Commission also started communication in general and at the end of February it will be more in detail and in different languages. This might be helpful for the businesses. The communication will be something to address in this group.

- *preparation matching import declaration data and vat declaration data*,
The Tax Administration is consulting the EU for more insights and will come back on that at a later moment.

- *how to prevent misuse of iOSS numbers*
The Tax Administration stresses out that it's important to know how the business are preparing themselves for misuse and which (technical) solutions they have to tackle the problem. A business replies that we not only should look at the problems, but also look at the possibilities. A business expects a lot of iOSS registrations but this will depend on the liabilities on iOSS companies might face. The Tax Administration acknowledges this is as an important point but doesn't have an insight in the number of direct sellers on the platforms. A business states that direct selling on platforms is the future. Not only in users, but also in

numbers of declarations. So misuse of the iOSS number is a relevant issue. Another suggests to look at cooperation in the business chain for instance like a green lane. This might be something to place on the agenda for the next meeting.

9. Business needs

The Customs administration says that it's very difficult to predict the numbers of business which want to choose for iOSS or the other cases. iOSS gives certain possibilities. Businesses are preparing themselves maybe by changing the routes of the goods to other Member States. The amount of declarations is for Customs and Tax also important for choices in their systems. A business replies that they need answers and certainty on several points which will help them. For instance the liability should be clear. Customs replies to have the same questions but would like this group to search for the answers, but it's also depending on how the business acts. Also an umbrella organisation raised some questions in advance. Questions with regard to intermediaries: Are there any demands from customs to be an intermediary. Can anyone act as an intermediary or are there any legislative demands (article 369 I / terdecies of the VAT Directive on the distant sale of goods). The Tax Administration will consult on this internally and place it on the agenda for the next meeting. Another question was with regard to iOSS numbers and the misuse of iOSS numbers. Are there any specific topics mentioned from customs. Customs replies that the guidance doesn't provide clarity on this and it's up to the Commission to decide how to handle this. The questions will be shared with the group and the replies will be shared with the Commission. Action

Another question to business is if they expect if the system will run as smooth as intended? A business suggests to choose a few use cases which should be solved or should be submitted to the Commission. An umbrella organisation has already worked out six used cases and will share that with the group. Action

Business raised some additional questions: How is a mismatch (1 and 2) handled and how does customs handle this? What is the procedure when between the VAT sale and moment of importation (below 150 EUR) the value has changed due to the change of rate. These questions will be addresses in the next meeting.

10. Organisational issues of this consultation group

According to the ODB protocol all ODB minutes will be made public. Therefore names of persons and businesses will not be mentioned in the minutes. There is no decision on a fixed frequency of meetings but for now the next meeting will be in 3 weeks. The fixed agenda items will be communication and furthermore similar to this meeting.

11. Any other business

There are no points for AOB.

The chair thanks everybody for their input and contributions and closes the meeting.