



EUROPEAN COMMISSION  
DIRECTORATE-GENERAL  
TAXATION AND CUSTOMS UNION

The Director-General

Brussels, 20/10/2020  
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Mr Jasper WESSELING  
Director General for Tax and Customs Policy  
and Legislation  
Ministerie van Financiën  
Korte Voorhout 7  
PO Box 20201  
2500 EE Den Haag  
NEDERLAND  
**By email:**

**Subject: No further postponement of the entry into application of the VAT e-commerce package**

Dear Mr Wesseling,

The entry into application of the VAT e-commerce package has now been postponed to 1 July 2021<sup>1</sup>. This package is as you know of high importance for the European Union, as it aims at removing major distortions of competition between EU and non-EU e-commerce suppliers as well as increasing VAT revenues by 5-7 billion euros per year. E-commerce is among the few sectors showing growth and resilience in the current economic conditions. Member States need now, more than ever, the additional tax revenue that the VAT e-commerce package will generate once implemented, in order to finance their recovery from the COVID-19 crisis. In light of this, the Commission does not intend to propose a further prolongation.

Therefore, all Member States need to invest in the update of their IT systems in order to prepare for the timely and smooth entry into application of the VAT e-commerce package. Additional funds may be requested under the recovery and resilience facility, more specifically under the *modernise* flagship area, which covers the digitalisation of public administration and services

As detailed in the attached annex, a possible delay in the implementation in the Netherlands would have very negative effects on Dutch economic operators, Dutch domestic ports and airports.

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<sup>1</sup> Council Decision (EU) 2020/1109 of 20 July 2020; Council Regulation (EU) 2020/1108 of 20 July 2020 and Council Implementing Regulation (EU) 2020/1112 of 20 July 2020

It is of utmost importance that the Netherlands is ready to implement the package on 1 July 2021. My services are of course available to provide all the necessary IT assistance that might be required.

Yours faithfully,

(e-signed)  
Gerassimos THOMAS

Enclosure:            Operational consequences in case of further delay in the implementation of the  
VAT e-commerce rules in the Netherlands

Cc:                    Ms Scoppio, Mr Angel, Mr Schnichels, Mr Santos, Mr Pillet, Mr De Winter,  
Ms Papamichalopoulou

## **Annex: Operational consequences in case of further delay in the implementation of the VAT e-commerce rules in the Netherlands**

The VAT e-commerce package which was adopted in December 2017 was originally planned to enter into application on 1 January 2021, so to grant all Member States sufficient time to prepare a timely entry into application of the agreed rules. Due to the unexpected COVID-19 crisis, Council further agreed to postpone the entry into application of the VAT e-commerce package with a maximum of six months until 1 July 2021. Several Member States indicated that since they were ready to implement the rules by 1 January 2021, they only supported the postponement because it was limited to six months and linked to the unexpected COVID-19 crisis.

It can be seen from relevant statistics<sup>2</sup>, that the Netherlands has one of the biggest number of web shops that sell cross-border in the EU. In case the Netherlands will not be ready to implement the extension of the One Stop Shop by the new deadlines, all these companies will continue to face extra administrative burdens. When selling to customers abroad, they will not be able to profit from the One Stop Shop simplification and will have to get registered for VAT purposes in all Member States where they supply to. Their competitors will be able to register for the One Stop Shop since the other Member States will be in a position to do so.

Moreover, if traders will not be able to register for the Import One Stop Shop (IOSS) in the Netherlands, it will also not be possible for these traders to profit from the simplification offered by the IOSS. The main advantage of the IOSS system is that supplier can supply goods VAT inclusive to consumers in the EU. As a consequence, the consumer will receive the parcel delivered at home and no further taxes or charges will need to be collected. This will not be possible if traders cannot use the IOSS and the customer will then have to pay VAT at the time the parcel is delivered, resulting in a poorer customer experience. The only way Dutch customers can then purchase low value goods from outside the EU is by purchasing the goods from suppliers established outside the Netherlands, who will be able to register for the IOSS in another Member State.

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<sup>2</sup> Cross-Border Commerce Europe: TOP 16 Countries Cross-Border Europe