

The Mini One Stop Shop (MOSS)

Place of supply rules for B2C telecommunication, broadcasting and electronic services (TBES) will change as of 1 January 2015.

As of 1 January 2015, and regardless of where suppliers are established or VAT registered, they will need charge and account for VAT at the applicable rate of the EU Member state where the recipient of the service is established, has a permanent address or usually resides.

Therefore, suppliers will need to register for VAT in any EU Member State where they have customers. This implies up to 28 different VAT registrations, which for smaller businesses can be a dramatic turn of events:

- Different invoicing procedures and rules for each Member State.
- Different VAT rates.
- Different VAT compliance obligations.
- Identifying where the customers belong.

MOSS. Mini One Stop Shop

Alternatively, suppliers can opt to function via a single electronic declaration, which can be filed with the tax authority of the MSI (Member State of Identification/ where the supplier is established). Similar to what is currently available for non EU suppliers of electronic services (VoES/ VAT on Electronic Services).

MOSS 'union-scheme' is available for EU suppliers. Non EU suppliers will apply the MOSS 'non-union scheme'.

The MOSS 'non-union scheme' is the current VoES scheme, which will now be extensible to telecommunications and broadcasting services.

MOSS is an optional scheme: when chosen, it must be applied globally in all Member States where the supplier is not established and it cannot be selected individually.

When a supplier opting for MOSS is also established in another EU Member State, TBES supplies in that other Member State will be accounted for via domestic VAT returns and MOSS will not apply in that jurisdiction.

How it works:

1. Quarterly VAT returns will detail sales of telecommunications, broadcasting and electronic services to non-taxable persons in other Member States and the VAT due.
2. Quarterly MOSS VAT returns will be filed in the MSI (Member State of identification = where the business has its business establishment).

3. The VAT paid will be sent by the correspondent authorities to each consumption Member State.
4. MOSS VAT returns are additional to the domestic VAT returns, which implies additional compliance work.

EU and non EU suppliers will now need to determine whether they should register in every Member State where they have customers or if they should choose the MOSS scheme.

Read more about MOSS here:

NEW PLACE OF SUPPLY RULES (B2C TBES)

IDENTIFYING WHERE THE CUSTOMER BELONGS

REGISTERING FOR MOSS