

Mr Paolo Gentiloni
Commissioner for Economy
European Commission
rue Joseph II 79
1000 Brussels

By e-mail

Brussels, 11 September 2020

Re: Implementation of VAT E-Commerce Package

Dear Mr. Commissioner,

The European retail and wholesale sector has been an active supporter of the VAT e-commerce package during its negotiation. The extension of the VAT Mini One-Stop Shop (MOSS) to the shipment of tangible goods is extremely important to our sector, especially in the present crisis faced by many retailers because of the COVID-19 virus. The expansion of the MOSS represents a major step towards helping stimulate cross-border e-commerce, especially for smaller companies by removing the need to register for VAT in different Member States.

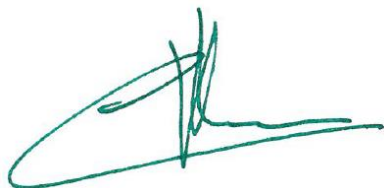
The abolition of the VAT threshold for the import of small consignments from third countries is also important for creating a level playing field for EU e-retailers. The massive rise in Asian platforms targeting European consumers has led many products ordered from these countries not being taxed at all, while the same product bought from an EU-based provider can attract up to 27% VAT. This represents a real threat to many EU competitors.

EuroCommerce has consistently pushed for quick implementation of these rules, not least due to the pace of digital transformation in retail markets, which the lock-down over the last 6 months has accelerated. We were therefore disappointed by, but obviously understood the circumstances leading to the recent decision to postpone its implementation from 1 January to 1 July 2021. We have now seen a number of governments advocating a further postponement to 1 January 2022. Having already waited 3 years since the package was adopted, such a step will be a further blow to small businesses in Europe who need to have every help to recover in an already very difficult economic situation likely to last for many months if not years to come.

The e-commerce package will also be a major boost to Member States' finances, with an expected increase in VAT revenue of €7 billion annually which many would no doubt find especially useful in light of the budgetary pressures caused by the pandemic.

We would therefore ask you and your services to reject any further postponement beyond 1 July 2021. We are also sending a copy of this letter to Mr Michael Claus as Permanent Representative for the German Council Presidency.

Yours sincerely,



Christian Verschueren
Director-General

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