

## VAT in the Digital Age proposal published: new rules to minimise registrations in multiple EU countries

Yesterday, 8 December, the European Commission published a proposal for a Council Directive on [VAT in the Digital Age](#), aimed to modernise and take full advantage of technological and digital advances to deliver an updated VAT system that is more resilient against illegal VAT practices. Luca Cassetti, Secretary General of Ecommerce Europe, has commented:

*“The new VAT OSS and IOSS are a success story and a milestone in the EU efforts to simplify VAT legislation. However, businesses with multiple warehouses in EU countries still need to VAT-register in each country of storage. This is costly and burdensome, especially for SMEs. Introducing a Single VAT ID Registration Number by extending the existing VAT OSS would greatly reduce administrative procedures and help businesses thrive in the EU Single Market.”*

Building on the already existing ‘VAT One Stop Shop’ model for online shopping companies, today’s proposal will extend the OSS to minimise the instances for which a taxable person is required to register in another Member State. The new system would allow businesses selling to consumers in another Member State to register only once for VAT purposes for the entire EU, and to fulfil their VAT obligations via a single online portal in one single language. A single VRN can be advantageous not only for the European businesses, but also for Member States’ tax administrations, customs authorities, consumers, marketplaces and, last but not least, the environment. Further measures to improve the collection of VAT include making the ‘Import One Stop Shop’ mandatory for certain platforms facilitating sales to consumers in the EU.

Linked to this development, Ecommerce Europe is organising a roundtable on VAT in the Digital Age on 25 January 2023, in the context of a joint [Campaign on Single VAT ID](#) with EuroCommerce. In this event, we will discuss the newly released proposal with a focus on the VAT One Stop Shop 2.0 concept alongside policymakers and businesses.

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