



New tax rules to support e-commerce and online businesses

Brussels, 1 December 2016

The Commission proposes to improve the Value Added Tax (VAT) environment for e-commerce businesses in the EU. These proposals will allow consumers and companies, in particular start-ups and SMEs, to buy and sell goods and services more easily online.



© European Union 2005 Alain Schroeder

Unlocking e-commerce in Europe and the creation of a **Digital Single Market** are among the top priorities of the Juncker-Commission.

By introducing an **EU-wide portal for online VAT payments** (the 'One Stop Shop'), VAT compliance expenses will be significantly reduced, **saving businesses across the EU €2.3 billion a year.**

The new rules will also ensure that **VAT is paid in the Member State of the final consumer, leading to a fairer distribution of tax revenues amongst EU countries.**

These proposals would help Member States to **recoup the current estimated €5 billion of lost VAT** on online sales every year. Estimated lost revenues are likely to reach €7 billion by 2020 if no action is taken.

In particular, the Commission proposed:

- New rules allowing companies that sell goods online to **deal easily with all their EU VAT obligations in one place;**
- To **simplify VAT rules for startups and micro-businesses selling online**, VAT on cross-border sales under €10,000 will be handled domestically. SMEs will benefit from simpler procedures for cross-border sales of up to €100,000 to make life easier;

- **Action against VAT fraud** from outside the EU, which can distort the market and create unfair competition;
- To enable Member States to **reduce VAT rates for e-publications** such as e-books and online newspapers.

These legislative proposals will now be submitted to the European Parliament for consultation and to the Council for adoption.

Related Links

- Press release - [Commission proposes new tax rules to support e-commerce and online businesses in the EU](#)
- [Questions and Answers](#) on VAT for e-commerce
- [Statement](#) by Vice-President Ansip
- [Digital Single Market strategy](#)
- [Action Plan on VAT – Towards a single EU VAT area](#)

Audiovisual material

- Press conference by Commissioners [Andrus Ansip](#) and [Pierre Moscovici](#)
- [Questions and answers](#)

AC/16/4289