

Taxation News

New VAT eCommerce Rules

From 1 July 2021, the EU will introduce new VAT e-commerce rules to ensure fair competition for EU businesses and reduce the VAT losses resulting from the importation of low value consignments (goods with a value not exceeding €22) from third countries.

The new VAT e-commerce rules aim to increase the compliance of e-commerce stakeholders by simplifying the collection of import VAT when consumers buy goods online. They introduce new obligations for marketplaces and platforms facilitating the online supply of goods regarding distance sales of goods imported from third countries or third territories in consignments of an intrinsic value not exceeding €150.

Source: www.ec.europa.eu

VAT – Postponed Accounting

Following the end of the transition period on 31 December 2020, the UK left the EU VAT regime, Customs Union and Single Market, becoming a third country subject to Customs requirements and taxation at the point of importation.

As a result, Postponed Accounting arrangements have been introduced to alleviate cash flow issues which could arise following the departure of the UK from the EU. Under the postponed method of accounting for VAT a business rather than pay import VAT upfront at the time of importation can elect to self-account for VAT on imports on their next VAT return.

Postponed Accounting does not apply to goods purchased from Northern Ireland. These purchases are treated as EU intra-community acquisitions.

Both the Form VAT 3 and the VAT Return of Trading Details (RTD) have been amended to include additional fields to capture the value of goods imported under Postponed Accounting and apply to all VAT periods or accounting periods commencing from 1st January 2021.

For further information please refer to the new Tax and Duty Manual – Vat – Postponed Accounting.

Source: www.revenue.ie

Revenue Publishes headline results for 2020

The Revenue Commissioners have published preliminary results for 2020 including information in relation to Revenue's delivery of critical supports for individuals, employers and other businesses impacted by Covid-19 and information on Revenue's support to businesses in preparing for Brexit.

Overall compliance rates for 2020 were only marginally down on 2019 with Revenue acknowledging the part that both taxpayers and tax practitioners played in ensuring a continued culture of string voluntary compliance.

During 2020 over 378,500 compliance interventions were completed yielding over €484 million (2019: 394,000 compliance interventions; yield €545 million). For further information and to access the preliminary results please visit www.revenue.ie.

Source: www.revenue.ie

