

# BREXIT – Mail order / Internet sales to EU customers

## Factsheet

### What happens now?

Many UK businesses sell goods to EU consumers through mail order or internet sales via their own 'shop front' (a website or magazine, etc.) or through an online market place. Sales of goods which are delivered to a consumer in another EU territory are called 'distance sales'.

Distance sales are subject to VAT in the territory of delivery, but only if the supplier is registered there. Suppliers may register voluntarily or they may be required to register because their sales exceed that country's distance selling threshold (registration thresholds for distance sales are either €100,000 or €30,000 per annum (or local currency equivalent)).

If the supplier is not registered in the consumer's territory, the sale is subject to VAT in the supplier's territory. Thus, many UK businesses selling to EU consumers charge UK VAT, and delivery is straight forward because the goods are moving within the single market.

### What is going to happen?

After transition, these distance sales will be exports from the UK and imports into the EU. UK suppliers will therefore need to remember that:

- in most EU territories the registration threshold for non-established suppliers is nil;
- the goods will need to clear customs when they arrive in their destination member state and import VAT, and possibly customs duty, will be due.
- most such goods are delivered by post and, unless the supplier has arranged to pay the import VAT (and possibly Customs duty) in advance, the local post office may withhold the parcel until the customer has paid the import taxes due;
- there may be reliefs from import VAT and duty for some low value consignments; and
- if they use an online market place they may be asked for additional information as, increasingly, online market places are being held liable for VAT due on sales made via their platforms (see below).

Businesses selling goods to EU consumers need to review their business and assess how Brexit will impact them and their particular supply chain.

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