



What is MOSS?

When supplied to consumers (rather than businesses), digital services are subject to VAT in the customer's EU Member State. The MOSS scheme is a simplified VAT registration which enables suppliers of digital services to declare VAT due on sales to consumers in every member state on a single return.

What happens now?

Currently, UK businesses use the Union MOSS Scheme, i.e. they register with HMRC and file their return via the Government Gateway. HMRC then transfers the VAT collected to the relevant EU tax authority. Similarly, the various EU tax authorities transfer UK VAT they have collected from MOSS users in their country to HMRC.

What will happen from 1st January 2021?

Post-transition, UK businesses will not be able to file MOSS returns with HMRC. These businesses will need to either:

- register in an EU Member State of their choice to file a non-Union MOSS return; or
- register for VAT in every Member State where they have customers (the registration threshold for non-established businesses is zero).

If you are affected by this, then please take advice so that you can be ready for the changes ahead.

You can contact us on: 01604 678470 / 01933 312950

