

## Non-Union Scheme – One Stop Shop (OSS)

This document should be read in conjunction sections 91A,91B and 91C of the VAT Consolidation Act 2010 and Implementing Regulation (EU) No. 282/2011 as amended by Council Implementing Regulation (EU) 2019/2026

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## Introduction

This guidance sets out the new rules for the VAT non-Union scheme under the One Stop Shop (OSS) that apply from 1 July 2021.

The VAT Mini One Stop Shop (MOSS) is a system through which providers of telecommunications, broadcasting and electronic (TBE) services can register in one Member State and make returns in respect of all Member States to which they provide services.

From 1 July 2021, the scope of MOSS is expanded to include other services supplied on a business to consumer (B2C) basis, intra-Community distance sales of goods and some domestic supplies of goods. The MOSS system becomes the One Stop Shop (OSS).

The VAT OSS simplifies VAT obligations for businesses selling goods and services cross border to final consumers in the EU. Depending on the location of their business, a taxable person will be permitted to:

- Register for VAT electronically in a Member State for intra-Community distance sales of goods and supplies of services to non-taxable persons. This Member State then becomes the Member State of identification.
- Declare and pay the VAT due on these supplies in a single electronic quarterly return submitted to the Member State of identification. The Member States in which the sales take place are the Member States of consumption.
- Communicate with the Revenue Commissioners in relation to these returns, even where the sales are taxable in another Member State.

Within the OSS, there are two schemes, the Union scheme, and the non-Union scheme. This manual only deals with the operation of the non-Union scheme. More information on the [Union scheme OSS](#) is available on Revenue's website.

## 1 Non-Union Scheme

The extended non-Union scheme builds on the existing legislative framework established by the MOSS. From 1 July 2021, taxable persons who are not established in the EU will be able to register and pay for VAT in one Member State in respect of all B2C supplies of services to non-taxable persons in the EU.

This represents an extension of the scope of the non-Union scheme, from TBE services alone to all services supplied to non-taxable persons. The use of the non-Union scheme to declare and pay EU VAT due on services supplied to final consumers across the EU is optional.

## 2 Who may use the non-Union Scheme?

The non-Union scheme may only be used by a taxable person who has not established their business and has no fixed establishment in the EU, and who

supplies services to non-taxable persons. This taxable person can choose to register for the non-Union scheme in any Member State.

Where a taxable person is required to be VAT registered in the EU for supplies not covered by the scheme, they can still opt to apply the scheme to supplies of B2C services.

## 2.1 What supplies can be declared using the non-Union Scheme?

The non-Union scheme may be used by a non-EU supplier to declare all services supplied on a B2C basis to a non-taxable person who is established in a Member State or has his or her permanent address or usually resides in a Member State.

The following are examples of the type of B2C services that can be reported through the non-Union scheme. This is not an exhaustive list:

- Transport services.
- Services connected to immovable property.
- Admission to cultural, artistic, sporting, scientific, educational, entertainment or similar events, such as fairs and exhibitions.
- Hiring means of transport.

If a person chooses to register for the non-Union scheme, this scheme must be used to account for all EU VAT due on all supplies which are within the scope of the scheme.

A supplier of services will have to apply the VAT rate applicable to the service in the Member State to which the service is supplied. Information on the VAT rate applicable on services is available on the website of each Member State, and centrally on the [Taxes in Europe Database](#) provided by the European Commission.

## 3 Registering for the non-Union scheme

A taxable person who decides to register in Ireland for the purposes of the non-Union scheme must register with the Revenue Commissioners through the non-Union OSS [registration portal](#).

The following information is required to register:

- Name and address.
- Electronic addresses, in particular website addresses.
- The national tax number issued by the relevant authorities in the country of establishment (if available).
- The date on which supplies of services to non-taxable persons in the Community commenced or will commence.
- Any previous registrations in the non-Union scheme in the State or another Member State.

- A statement that the person has not established a business in the Community or has a fixed establishment in the Community.

Where a person has provided this information to the Revenue Commissioners and the Revenue Commissioners are satisfied that the person can be registered for the scheme, the Revenue Commissioners will register that person for the scheme. The person will be issued an identification number and be told the date on which the registration takes effect from. This identification number is only to be used for the non-Union scheme. It is not a VAT number for general use.

Once the information required for registration is provided, the taxable person will have to create a verification code. This code will be needed later to retrieve their scheme identification number and their digital certificate. The digital certificate is required to access Revenue's online system, ROS.

Where a non-EU established supplier has already registered for another scheme under the OSS in Ireland their registration for this scheme can be completed through the VAT OSS section in ROS.

If there is any change to the information provided at registration, the taxable person is obliged to inform the Revenue Commissioners of that change.

### 3.1 When will the registration take effect?

Registration will usually take effect from the first day of the calendar quarter following the quarter in which the taxpayer has informed the Revenue Commissioners that they wish to register for the scheme. This rule will apply unless the taxpayer has already registered for the scheme as part of the pre-registration period from 1 April 2021, in which case the registration will take effect from 1 July 2021.

Another exception to this rule is where the taxpayer commences making supplies covered by the scheme before the first day of the calendar quarter and has informed the Member State of identification, in this case the Revenue Commissioners, that they have commenced activities covered by the scheme by the 10<sup>th</sup> day following the month in which the supply took place.

It should be noted that if this deadline is not met, the taxpayer will have a requirement to register and account for VAT in all Member States of consumption directly, for the period before the scheme registration commences.

## 4 Using the non-Union Scheme

Where a person is registered in the non-Union scheme, they must use the scheme to declare and pay EU VAT due on all supplies of services made to non-taxable persons in the Community.

Once registered for the scheme, a taxable person will have responsibilities to fulfil in order to use the scheme. They must submit a quarterly non-Union VAT return electronically by the end of the month following the end of the tax period covered by the return. This VAT return must be made whether or not any supplies have been made during that quarter.

The non-Union VAT return will include:

- i. The person's identification number (issued at registration).
- ii. For every Member State of consumption where services have been provided and in which VAT is due:
  - (a) the total value of supplies made covered by the non-Union scheme during the tax period, exclusive of VAT
  - (b) the total amount broken down by rate of corresponding VAT
  - (c) the applicable rates of VAT, and
  - (d) the total VAT due in respect of the supplies.

At the same time the non-Union VAT return is submitted to the Revenue Commissioners (by the end of the month following the end of the tax period covered by the return), the taxable person must remit the VAT payable to Revenue.

If no VAT return is submitted by the relevant date, the Revenue Commissioners will issue an electronic reminder to the relevant person after a period of 10 days. Where no payment has been made, the Revenue Commissioners will issue an electronic reminder to the relevant person after a period of 10 days.

#### 4.1 Corrections to a non-Union VAT return

A correction can be made to a previously submitted non-Union VAT return up to three years after the initial return was made. However, an amendment to the original return is not permitted in VAT OSS. The amendment must be made in a subsequent VAT return by completing the correction panel and must include:

- The relevant Member State of consumption,
- the tax period to which the amendment relates, and
- the total amount of VAT for which amendments are required.

#### 4.2 Records

A taxable person registered for the non-Union scheme must retain records as a requirement of using the scheme. The taxable person must keep records of all transactions covered by the scheme and the records must be detailed enough for the Member State of consumption to verify that the VAT return is correct. Details of the records to be retained are included in [Appendix II](#).

These records must be made available electronically on request of the Revenue Commissioners or the Member State of consumption. The records are required to be retained for a period of 10 years from the 31<sup>st</sup> December of the year in which the transaction was carried out.

### 4.3 Exchange Rate

Where supplies have been made using a currency other than the euro, the exchange rate to be used is that published by the European Central Bank on the last day of the calendar quarter to which the VAT return relates. If there is no publication on that date, the rate on the next day of publication is to be used.

### 4.4 VAT deductions

A taxable person making use of the non-Union scheme is not entitled to deduct VAT incurred in a Member State through the non-Union VAT return. Instead, they are to use the provisions of Council Directive 86/560/EEC ('the 13<sup>th</sup> Directive').

If the taxable person using the scheme is obliged to be VAT registered in a Member State for business activities not covered by the non-Union scheme, the taxable person will deduct the VAT incurred in that Member State in relation to the activities covered by the non-Union scheme in the normal VAT return submitted to the tax administration of that Member State.

## 5 De-registration from the non-Union scheme

A person may de-register from the non-Union scheme by informing the Revenue Commissioners by electronic means that they wish to de-register. The registration will cease from the first day of the next calendar quarter.

### 5.1 Removal from the Scheme

The Revenue Commissioners can remove a taxable person from the non-Union scheme in the following circumstances:

- (a) where the taxable person notifies the Revenue Commissioners that they no longer carry out supplies of services covered by the scheme
- (b) it can otherwise be assumed by the Revenue Commissioners that the taxable activities covered by the scheme performed by the taxable person have ceased
- (c) the taxable person no longer meets the conditions for use of the scheme, or
- (d) the taxable person persistently fails to comply with the rules of the scheme.

Where a taxable person is removed from the non-Union scheme for persistent failure to comply with the rules of the scheme, that taxable person will be excluded from all special schemes (Union, non-Union and Import One Stop Shop) in any Member State for two years following the period during which the person was excluded.

A taxable person will be considered as having persistently failed to comply with the rules of the non-Union scheme in at least the following cases:

- The taxable person has received reminders to submit a non-Union VAT return for three return periods and an OSS VAT return has not been submitted within 10 days of the reminder being sent by the Revenue Commissioners.
- The taxable person has received reminders to submit payment for three return periods and the full amount due has not been paid within 10 days of a reminder being sent by the Revenue Commissioners, unless the amount outstanding for each return is less than €100.
- The taxable person has failed to provide records electronically to the Revenue Commissioners within one month of a reminder to do so issuing from the Revenue Commissioners.

## 6 Existing MOSS registrations

If a person is currently registered for the non-Union scheme under MOSS, their registration will continue to be valid for the purposes of the extended non-Union scheme. VAT due on telecommunication, broadcasting and electronically (TBE) supplied services can continue to be accounted for using the extended non-Union scheme. They will not be required to register for the non-Union scheme under the OSS. Their MOSS registration will automatically transfer to the OSS.

It should be noted that once registered in the non-Union scheme, EU VAT due on all supplies covered within the scope of the scheme must be declared through the non-Union VAT return.

## 7 Registration for multiple schemes

It is possible for a taxable person to register for multiple schemes, depending on where that person has established their business and the supplies that they are making.

A taxable person who is registered for the non-Union scheme for services supplied on a B2C basis, may also register for the Union scheme in respect of intra-Community distance sales of goods in the EU and can also opt to register for the Import One Stop Shop (IOSS) in respect of distance sales of goods imported from third territories or third countries. Further information on the operation and scope of the [Union scheme OSS](#) and the [Import One Stop Shop](#) is available on Revenue's website.



## Appendix I – Key Concepts

### **Member State of identification**

The Member State of identification is the Member State in which the taxable person is registered for using a scheme of the One Stop Shop, and where he or she declares and pays the VAT due in the Member State(s) of consumption. A taxable person can only register in a single Member State for use of a special scheme.

The Member State of Identification in the case of the non-Union scheme is the Member State where the taxable person chooses to register for the scheme.

### **Member State of consumption**

The Member State of consumption is a Member State in which the taxable person supplies goods or services to non-taxable persons, i.e. in which the supply takes place and where the VAT is due.

In the non-Union scheme, a taxable person can declare supplies of services to non-taxable persons taking place in any Member State of the EU, including the Member State of identification. Any Member State can therefore be Member State of consumption.

### **Fixed establishment**

For a fixed establishment to be considered as such, it should have a sufficient degree of permanence and a suitable structure in terms of human and technical resources to receive and use or to make the respective supplies. Simply having a VAT identification number does not in itself mean that an establishment qualifies as a fixed establishment.

### **Taxable person not established within the Community**

Taxable person not established within the Community means a taxable person who has not established his or her business in the territory of the Community and who has no fixed establishment there.

## Appendix II- Record Keeping

The following information must be retained in the records of the taxable person making supplies under the non-Union scheme, in accordance with Article 63c(1) of the Implementing Regulation. This information must be retained for a period of 10 years:

- (a) the Member State of consumption to which the services are supplied
- (b) the type of services supplied
- (c) the date of the supply of the services
- (d) the taxable amount indicating the currency used
- (e) any subsequent increase or reduction of the taxable amount
- (f) the VAT rate applied
- (g) the amount of VAT payable indicating the currency used
- (h) the date and amount of payments received
- (i) any payments on account received before the supply of the services
- (j) where an invoice is issued, the information contained on the invoice
- (k) in respect of services, the information used to determine the place where the customer is established or has his permanent address or usually resides.