

VAT and intra-Community Distance Sales of Goods

This document should be read in conjunction with sections 2, 30, and 35A of the VAT Consolidation Act 2010 (VATCA 2010) and Article 5a of 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 VAT treatment of intra-Community distance sales of goods from 1 July 2021 in accordance with the eCommerce legislation.

For general information on VAT registration and filing requirements see Revenue's guidance on [How to register for VAT](#), [How to account for VAT](#) and [VIES and Intrastat](#).

For information on the Union One Stop Shop (Union OSS) and Deemed suppliers see Revenue's guidance in the Tax and Duty Manuals [Union OSS](#) and [Deemed supplier](#).

1. What are Intra-Community distance sales of goods?

An intra-Community distance sale of goods occurs when [goods are dispatched or transported](#) by or on behalf of a supplier, including where the supplier intervenes indirectly in the dispatch or transport of the goods, in one EU Member State to [certain customers](#) in another Member State. This includes mail order sales, phone or tele-sales or physical goods ordered over the internet. It does not include [new means of transport](#) or [goods supplied after assembly or installation](#).

1.1 Goods dispatched or transported

Goods are considered as dispatched or transported by or on behalf of a supplier, where the supplier also intervenes indirectly in the dispatch or transport of the goods. This includes where:

- the dispatch or transport of the goods is subcontracted by the supplier to a third party who delivers the goods to the customers
- the dispatch or transport of the goods is provided by a third party, but the supplier bears either the total or partial responsibility for the delivery of the goods to the customer
- the supplier invoices and collects the transport fees from the customer and further remits them to a third party who will arrange the dispatch or transport of the goods
- the supplier promotes, by any means, the delivery services of a third party to the customer, puts the customer and a third party in contact or otherwise provides to a third party the information needed for the delivery of the goods to the consumer.

However, goods are not dispatched or transported by or on behalf of a supplier where:

- the customer transports the goods themselves or
- the customer arranges the delivery of the goods with a third person and the supplier does not intervene directly or indirectly to provide or to help organise the dispatch or transport of those goods.

1.2 Certain customers

Intra-Community distance sales of goods only cover supplies to the following customers:

- supplies of goods to non-taxable consumers (including goods subject to excise duty)
- supplies of goods (including goods subject to excise duty) to taxable persons or non-taxable legal persons listed in Schedule 2, paragraph 5(1) to 5(1D) of the VAT Consolidation Act 2010 covering diplomatic arrangements, international bodies, NATO, etc.
- supplies of goods (except excise products) to:
 - i. taxable persons carrying out only supplies of goods or services in respect of which VAT is not deductible,
 - ii. taxable persons subject to the flat-rate scheme for farmers,
 - iii. taxable persons subject to the second-hand margin scheme, and
 - iv. non-taxable legal persons.

1.3 Internet sales

Sales of goods ordered via the internet which are physically supplied are distance sales for VAT purposes. However, digitised goods, that is goods for downloading by the customer via the internet, are [electronically supplied services](#) subject to different VAT rules.

1.4 New means of transport

Sales of new means of transport are excluded from the distance selling arrangements. These sales are always [intra-Community acquisitions](#) and the person acquiring the new means of transport must pay VAT in the Member State of destination.

1.5 Goods supplied after assembly or installation

Goods which are supplied after assembly or installation, with or without a trial run, by or on behalf of the supplier, are excluded from the distance selling arrangements. The [place of supply](#) of such goods is the place where the goods are installed or assembled.

2. Place of supply of intra-Community distance sales of goods

The place of supply of intra-Community distance sales of goods is where the transport ends, that is, the Member State where the customer is.

However, for EU established distance sellers who:

- are established, have their permanent address or usually reside in only one Member State and
- do not exceed the [place of supply threshold](#),

the place of supply is where the transport begins, that is, the Member State where the seller is.

3. Place of supply threshold

As of 1 July 2021, the place of supply threshold is €10,000 per calendar year. The threshold is calculated by taking account of the supplier's or [deemed suppliers](#) total value of intra-Community distance sales of goods and cross-border [telecommunications, broadcasting and electronic \(TBE\) services](#) to customers in all EU Member States. A supplier will not exceed the place of supply threshold if those goods and services do not exceed €10,000 in the current and in the previous calendar year.

Example A

In one year, a VAT registered Irish trader sells goods to private customers in France (€3,500), Germany (€3,000) and Spain (€4,500). Therefore, the trader's total sales to private customers in other Member States exceed €10,000. The trader is obliged to register and account for VAT in each of the Member States or register for the [Union OSS](#) in Ireland.

Example B

In one year, a VAT registered Irish trader sells goods to private customers in France (€4,500) and cross-border TBE services in Spain (€7,500). Therefore, the trader's total sales to other Member States exceed €10,000. The trader is obliged to register and account for VAT in each of the Member States or register for the [Union OSS](#) in Ireland.

3.1 Suppliers established in more than one Member State

The place of supply threshold only applies where the supplier is established, has their permanent address or usually resides in only one Member State. Therefore, if a supplier is established, has their permanent address or usually resides in more than one Member State no threshold applies.

3.2 Goods subject to excise duty

Supplies of goods subject to excise duty (alcohol, tobacco and oil) to another Member State, which are not to customers covered by the intra-Community distance sales arrangements, are subject to VAT in the Member State of arrival and cannot be declared under the [Union OSS](#).

The value of such goods should not be taken into account for the purposes of determining whether or not the threshold has been exceeded. If the threshold, excluding the value of those excisable goods, is not exceeded the supplier may continue to account for VAT in the Member State from which supplies are made.

4. Intra-Community distance sales of goods to this state

4.1 Where the place of supply threshold is not exceeded

If the place of supply threshold is not exceeded, the supplier does not need to account for Irish VAT on the intra-Community distance sales of goods they make to customers in this State.

However, the supplier may opt to register and account for Irish VAT in this State. Where such an option is exercised the supplier is bound by this decision for two calendar years. Alternatively, the supplier can choose to register for the [Union OSS](#) in the Member State where they are established.

4.2 Where the place of supply threshold is exceeded

Where the place of supply threshold is exceeded, the supplier must register for VAT in this State and must account for VAT at the appropriate Irish rates on their sales to Irish consumers. The supplier should include the value of such goods in the E2 box in their Irish VAT 3 return. If the supplier also makes sales to other Member States, they will need to register and account for VAT in each of those States. Alternatively, the supplier can register for the [Union OSS](#) in the Member State in which they are established.

Example

A VAT registered German trader supplies goods by mail order to private individuals in Ireland and in France. If the German trader exceeds the place of supply threshold, then the place of supply is where the transportation ends, i.e. Ireland and France. The German trader must either

- register for VAT in Ireland and account for Irish VAT on the Irish sales and register for VAT in France and account for French VAT on the French sales
- or
- register for the Union OSS in Germany.

5. Intra-Community distance sales of goods from this State

5.1 Where the place of supply threshold is not exceeded

An Irish supplier who makes intra-Community distance sales to certain customers in other Member States is liable to Irish VAT on such sales until the place of supply threshold of €10,000 is exceeded. This VAT should be included in the T1 box in their VAT 3 return.

If the threshold is not exceeded, the supplier may opt to register and account for VAT in the Member State to which the distance sales are made. The supplier should contact the authorities of the [Member State](#) concerned, who will provide details of the requirements for registration.

Where such an option is exercised the supplier is bound by this decision for two calendar years. Alternatively, the supplier can choose to register for the [Union OSS](#) in Ireland.

5.2 Where the place of supply threshold is exceeded

Once the supplier exceeds the place of supply threshold, the supplier is obliged to register in each Member State that it sells in and account for VAT at the rates applicable there. The supplier should include the value of such goods in the E1 box in their Irish VAT 3 return. Alternatively, the supplier can register for the [Union OSS](#) in Ireland.

Example

A VAT registered Irish trader supplies goods by mail order to private individuals in Germany. If the place of supply threshold is not exceeded and the Irish trader has not elected to register for VAT in Germany, they must charge Irish VAT on the goods. If the place of supply threshold is exceeded, then the place of supply is Germany and the trader must either register for VAT in Germany or register for the [Union OSS](#) in Ireland.