



Association of
Translation Companies

DEFINING STANDARDS OF EXCELLENCE

Post-Brexit VAT Update

B2C VAT from UK to EU

2021

Introduction

This information supplements the [ATC-ITI Post-Brexit Guide for Language Service Providers](#) published in early 2021.

The EU's VAT rules changed on 1 July 2021. New Union and Non-Union One-Stop Shops (OSS) now cover the sales of not just digital but also other services from businesses to consumers (B2C).

If you are a UK-based business selling services to consumers in the EU, you can now make use of the EU's Non-Union One-Stop Shop for declaring VAT in one single EU member state only, instead of registering to pay for VAT in each member state you sell services to consumers in.

Does this apply for translation and interpreting services?

Yes. Translation and interpreting services are professional services where the 'place of supply' is where the customer belongs to. As such, B2C sales are [outside the scope of UK VAT](#) but liable for VAT in the EU member country the customer belongs to, regardless of whether the business is registered for VAT in the UK or not.

For B2B rules, see the [ATC-ITI Post-Brexit Guide for Language Service Providers](#).

What has changed?

Until the end of June 2021, businesses selling services directly to consumers were liable to register and pay VAT in each EU member state they sold services in.

From 1 July 2021 onwards, the EU's new One-Stop Shops (OSS) allow for sellers to register and pay VAT in a single EU member state, for all sales they make in any EU member state.

Union or Non-Union OSS?

The EU now operates two different OSS schemes: Union and Non-Union OSS:

- If you are UK-based but have an established base in an EU member state, you can register for OSS in that member state.
- If you are UK-based but do not have a base in the EU, you can register in any EU member state for the Non-Union OSS scheme.

In both schemes, the OSS filing is done quarterly. You file a regular domestic VAT return in the member state you are registered for VAT in, then report all your other EU sales by country in a single VAT return, detailing the country and VAT rate applied.

What VAT rates should I apply?

Although the OSS schemes make VAT filing across EU member states much easier, you still need to apply the correct target country VAT rate. Check the correct VAT rates on the EU's [VAT rules and rates](#) page.

Where should I register?

You may register in any EU member state you wish. Irish Revenue provides an easy online registration facility and [comprehensive VAT OSS guidance](#) in English.

Further reading

https://ec.europa.eu/taxation_customs/business/vat/new-oss-schemes_en

<https://www.revenue.ie/en/vat/vat-ecommerce/non-union-scheme/index.aspx>

Where to get help

Talk to your accountant about your specific situation and requirements.

If you require specialist VAT advice, we recommend [Avalara](#) who provided valuable feedback on the ATC-ITI Post-Brexit Guide's VAT section.