

## Consultation response

# Study on an integrated and innovative overhaul of EU rules governing e-commerce transactions from third countries from a customs and taxation perspective



AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled more than €3 trillion in 2020, directly supports more than 4.8 million jobs in Europe, and generates billions of euros annually in income, trade and research and development.

# Study on an integrated and innovative overhaul of EU rules governing e-commerce transactions from third countries from a customs and taxation perspective

Fields marked with \* are mandatory.

## Introduction

---

The digitalisation of the economy and the increasing role of e-commerce offers a great potential for consumers and traders. At the same time, it presents significant challenges for all stakeholders. E-commerce volumes show a dynamic growth, and the proportion of cross-border e-commerce is constantly increasing. The COVID-19 pandemic has further boosted e-commerce import volumes, a trend that is expected to last in the years to come.

With its large volume of parcels, e-commerce is posing particular challenges for Customs and Tax Authorities that need to tackle the financial and non-financial risks inherent to such imports.

In this respect, it is vital to strengthen the legal framework by enhancing the roles and responsibilities of the main e-commerce stakeholders such as online marketplaces and platforms and seeking synergies in customs duty and import tax collection procedures. Essentially, it is vital to reinforce the cooperation between Customs and Tax Authorities and the cooperation with other authorities for the controls of non-fiscal requirements.

At the same time, facilitating e-commerce is a cornerstone of the EU's Digital Single Market strategy. Over 70% of the EU's population purchase goods online and an increasing number do it directly from third countries. These purchasers need simple rules and procedures to comply with their obligations to pay import duties and taxes. When buying online, consumers prefer paying all-inclusive prices upon checkout, so that they can avoid any additional payment obligation upon the delivery of the product. At the same time non-fiscal risks need to be addressed, including for safety and security purposes.

Therefore, the European Commission is working on revisiting the customs and taxation collection systems for e-commerce (fiscal aspects) and on identifying innovative customs control approaches for e-commerce imports (non-fiscal aspects).

In respect of this, the following questions focus on your views and experiences on the import of e-commerce consignments into the EU, as well as on several policy options that might improve the situation

in the future.

This consultation closes on 10 March 2022

## About you

---

### \* Language of my contribution

- Bulgarian
- Croatian
- Czech
- Danish
- Dutch
- English
- Estonian
- Finnish
- French
- German
- Greek
- Hungarian
- Irish
- Italian
- Latvian
- Lithuanian
- Maltese
- Polish
- Portuguese
- Romanian
- Slovak
- Slovenian
- Spanish
- Swedish

### \* I am giving my contribution as

- Academic/research institution
- Business association
- Company/business organisation

- Consumer organisation
- EU citizen
- Environmental organisation
- Non-EU citizen
- Non-governmental organisation (NGO)
- Public authority
- Trade union
- Other

\* First name

Alex Ozan

\* Surname

Buyruk

\* Email (this won't be published)

alex.buyruk@amchameu.eu

\* Organisation name

*255 character(s) maximum*

American Chamber of Commerce to the EU

\* Organisation size

- Micro (1 to 9 employees)
- Small (10 to 49 employees)
- Medium (50 to 249 employees)
- Large (250 or more)

Transparency register number

*255 character(s) maximum*

Check if your organisation is on the [transparency register](#). It's a voluntary database for organisations seeking to influence EU decision-making.

5265780509-97

\* Country of origin

Please add your country of origin, or that of your organisation.

- Afghanistan
- Åland Islands
- Albania
- Algeria
- American Samoa
- Andorra
- Angola
- Anguilla
- Antarctica
- Antigua and Barbuda
- Argentina
- Armenia
- Aruba
- Australia
- Austria
- Azerbaijan
- Bahamas
- Bahrain
- Bangladesh
- Barbados
- Belarus
- Belgium
- Belize
- Benin
- Bermuda
- Bhutan
- Djibouti
- Dominica
- Dominican Republic
- Ecuador
- Egypt
- El Salvador
- Equatorial Guinea
- Eritrea
- Estonia
- Eswatini
- Ethiopia
- Falkland Islands
- Faroe Islands
- Fiji
- Finland
- France
- French Guiana
- French Polynesia
- French Southern and Antarctic Lands
- Gabon
- Georgia
- Germany
- Ghana
- Gibraltar
- Greece
- Greenland
- Libya
- Liechtenstein
- Lithuania
- Luxembourg
- Macau
- Madagascar
- Malawi
- Malaysia
- Maldives
- Mali
- Malta
- Marshall Islands
- Martinique
- Mauritania
- Mauritius
- Mayotte
- Mexico
- Micronesia
- Moldova
- Monaco
- Mongolia
- Montenegro
- Montserrat
- Morocco
- Mozambique
- Myanmar/Burma
- Saint Martin
- Saint Pierre and Miquelon
- Saint Vincent and the Grenadines
- Samoa
- San Marino
- São Tomé and Príncipe
- Saudi Arabia
- Senegal
- Serbia
- Seychelles
- Sierra Leone
- Singapore
- Sint Maarten
- Slovakia
- Slovenia
- Solomon Islands
- Somalia
- South Africa
- South Georgia and the South Sandwich Islands
- South Korea
- South Sudan
- Spain
- Sri Lanka
- Sudan
- Suriname
- Svalbard and Jan Mayen

- Bolivia
- Grenada
- Namibia
- Sweden
- Bonaire Saint Eustatius and Saba
- Guadeloupe
- Nauru
- Switzerland
- Bosnia and Herzegovina
- Guam
- Nepal
- Syria
- Botswana
- Guatemala
- Netherlands
- Taiwan
- Bouvet Island
- Guernsey
- New Caledonia
- Tajikistan
- Brazil
- Guinea
- New Zealand
- Tanzania
- British Indian Ocean Territory
- Guinea-Bissau
- Nicaragua
- Thailand
- British Virgin Islands
- Guyana
- Niger
- The Gambia
- Brunei
- Haiti
- Nigeria
- Timor-Leste
- Bulgaria
- Heard Island and McDonald Islands
- Niue
- Togo
- Burkina Faso
- Honduras
- Norfolk Island
- Tokelau
- Burundi
- Hong Kong
- Northern Mariana Islands
- Tonga
- Cambodia
- Hungary
- North Korea
- Trinidad and Tobago
- Cameroon
- Iceland
- North Macedonia
- Tunisia
- Canada
- India
- Norway
- Turkey
- Cape Verde
- Indonesia
- Oman
- Turkmenistan
- Cayman Islands
- Iran
- Pakistan
- Turks and Caicos Islands
- Central African Republic
- Iraq
- Palau
- Tuvalu
- Chad
- Ireland
- Palestine
- Uganda
- Chile
- Isle of Man
- Panama
- Ukraine
- China
- Israel
- Papua New Guinea
- United Arab Emirates
- Christmas Island
- Italy
- Paraguay
- United Kingdom
- Clipperton
- Jamaica
- Peru
- United States

- Cocos (Keeling) Islands
- Colombia
- Comoros
- Congo
- Cook Islands
- Costa Rica
- Côte d'Ivoire
- Croatia
- Cuba
- Curaçao
- Cyprus
- Czechia
- Democratic Republic of the Congo
- Denmark
- Japan
- Jersey
- Jordan
- Kazakhstan
- Kenya
- Kiribati
- Kosovo
- Kuwait
- Kyrgyzstan
- Laos
- Latvia
- Lebanon
- Lesotho
- Liberia
- Philippines
- Pitcairn Islands
- Poland
- Portugal
- Puerto Rico
- Qatar
- Réunion
- Romania
- Russia
- Rwanda
- Saint Barthélemy
- Saint Helena  
Ascension and  
Tristan da Cunha
- Saint Kitts and  
Nevis
- Saint Lucia
- United States  
Minor Outlying  
Islands
- Uruguay
- US Virgin Islands
- Uzbekistan
- Vanuatu
- Vatican City
- Venezuela
- Vietnam
- Wallis and  
Futuna
- Western Sahara
- Yemen
- Zambia
- Zimbabwe

The Commission will publish all contributions to this public consultation. You can choose whether you would prefer to have your details published or to remain anonymous when your contribution is published. **For the purpose of transparency, the type of respondent (for example, 'business association', 'consumer association', 'EU citizen') country of origin, organisation name and size, and its transparency register number, are always published. Your e-mail address will never be published.** Opt in to select the privacy option that best suits you. Privacy options default based on the type of respondent selected

### \* Contribution publication privacy settings

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

**Anonymous**

Only organisation details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published as received. Your name will not be published. Please do not include any personal data in the contribution itself if you want to remain anonymous.

**Public**

Organisation details and respondent details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published. Your name will also be published.

I agree with the [personal data protection provisions](#)

## Roles and responsibilities for e-commerce transactions

---

For this consultation we would like to differentiate between the different roles and responsibilities of stakeholders for e-commerce transactions to gain a better understanding of the responses to the questionnaire.

\* Please indicate which of the following roles for e-commerce transactions apply to you or your organisation/ company. *[Multiple answers are possible]*

- Customs and/ or Tax Administration
- Government agency (for non-fiscal measures)
- E-commerce platform or marketplace
- Consolidator for e-commerce parcels
- E-commerce vendor or supplier
- EU based vendor for traditional (brick and mortar) sales
- Consumer
- Consumer organisation
- EU business buying e-commerce products
- Freight forwarder or logistics service provider
- Customs agent or broker
- (Express) carrier
- Fulfilment centre

- Postal operator or association
- Financial intermediary or payment service provider
- Software developer or provider
- Consultant or legal adviser
- Other

In which country or countries are you established/ located?

Belgium

If applicable, please indicate where your parent company is headquartered.

Please select the country where your parent company is headquartered or select the blank line when this does not apply to you

- AF - Afghanistan
- AL - Albania
- DZ - Algeria
- AD - Andorra
- AO - Angola
- AG - Antigua and Barbuda
- AR - Argentina
- AM - Armenia
- AU - Australia
- AT - Austria
- AZ - Azerbaijan
- BS - Bahamas
- BH - Bahrain
- BD - Bangladesh
- BB - Barbados
- BY - Belarus
- BE - Belgium
- BZ - Belize
- BJ - Benin
- BT - Bhutan
- BO - Bolivia
- BA - Bosnia and Herzegovina
- BW - Botswana

- Ⓒ BR - Brazil
- Ⓒ BN - Brunei Darussalam
- Ⓒ BG - Bulgaria
- Ⓒ BF - Burkina Faso
- Ⓒ BI - Burundi
- Ⓒ CV - Cabo Verde
- Ⓒ KH - Cambodia
- Ⓒ CM - Cameroon
- Ⓒ CA - Canada
- Ⓒ CF - Central African Republic
- Ⓒ TD - Chad
- Ⓒ CL - Chile
- Ⓒ CN - China
- Ⓒ CO - Colombia
- Ⓒ KM - Comoros
- Ⓒ CG - Congo
- Ⓒ CR - Costa Rica
- Ⓒ CI - Côte D'Ivoire
- Ⓒ HR - Croatia
- Ⓒ CU - Cuba
- Ⓒ CY - Cyprus
- Ⓒ CZ - Czechia
- Ⓒ CD - Democratic Republic of the Congo
- Ⓒ DK - Denmark
- Ⓒ DJ - Djibouti
- Ⓒ DM - Dominica
- Ⓒ DO - Dominican Republic
- Ⓒ EC - Ecuador
- Ⓒ EG - Egypt
- Ⓒ SV - El Salvador
- Ⓒ GQ - Equatorial Guinea
- Ⓒ ER - Eritrea
- Ⓒ EE - Estonia
- Ⓒ SZ - Eswatini

- ET - Ethiopia
- FJ - Fiji
- FI - Finland
- FR - France
- GA - Gabon
- GM - Gambia
- GE - Georgia
- DE - Germany
- GH - Ghana
- GR - Greece
- GD - Grenada
- GT - Guatemala
- GN - Guinea
- GW - Guinea Bissau
- GY - Guyana
- HT - Haiti
- HN - Honduras
- HU - Hungary
- IS - Iceland
- IN - India
- ID - Indonesia
- IR - Iran
- IQ - Iraq
- IE - Ireland
- IL - Israel
- IT - Italy
- JM - Jamaica
- JP - Japan
- JO - Jordan
- KZ - Kazakhstan
- KE - Kenya
- KI - Kiribati
- KW - Kuwait
- KG - Kyrgyzstan

- LA - Laos
- LV - Latvia
- LB - Lebanon
- LS - Lesotho
- LR - Liberia
- LY - Libya
- LI - Liechtenstein
- LT - Lithuania
- LU - Luxembourg
- MG - Madagascar
- MW - Malawi
- MY - Malaysia
- MV - Maldives
- ML - Mali
- MT - Malta
- MH - Marshall Islands
- MR - Mauritania
- MU - Mauritius
- MX - Mexico
- FM - Micronesia
- MC - Monaco
- MN - Mongolia
- ME - Montenegro
- MA - Morocco
- MZ - Mozambique
- MM - Myanmar
- NA - Namibia
- NR - Nauru
- NP - Nepal
- NL - Netherlands
- NZ - New Zealand
- NI - Nicaragua
- NE - Niger
- NG - Nigeria

- Ⓐ KP - North Korea
- Ⓑ MK - North Macedonia
- Ⓒ NO - Norway
- Ⓓ OM - Oman
- Ⓔ PK - Pakistan
- Ⓕ PW - Palau
- Ⓖ PA - Panama
- Ⓗ PG - Papua New Guinea
- Ⓘ PY - Paraguay
- Ⓚ PE - Peru
- Ⓛ PH - Philippines
- Ⓜ PL - Poland
- Ⓝ PT - Portugal
- Ⓟ QA - Qatar
- Ⓡ MD - Republic of Moldova
- Ⓢ RO - Romania
- Ⓣ RU - Russian Federation
- Ⓤ RW - Rwanda
- Ⓥ KN - Saint Kitts and Nevis
- Ⓦ LC - Saint Lucia
- Ⓧ VC - Saint Vincent and the Grenadines
- Ⓨ WS - Samoa
- Ⓩ SM - San Marino
- Ⓛ ST - Sao Tome and Principe
- Ⓜ SA - Saudi Arabia
- Ⓨ SN - Senegal
- Ⓡ RS - Serbia
- Ⓛ SC - Seychelles
- Ⓛ SL - Sierra Leone
- Ⓛ SG - Singapore
- Ⓛ SK - Slovakia
- Ⓛ SI - Slovenia
- Ⓛ SB - Solomon Islands
- Ⓛ SO - Somalia

- Ⓒ ZA - South Africa
- Ⓒ KR - South Korea
- Ⓒ SS - South Sudan
- Ⓒ ES - Spain
- Ⓒ LK - Sri Lanka
- Ⓒ SD - Sudan
- Ⓒ SR - Suriname
- Ⓒ SE - Sweden
- Ⓒ CH - Switzerland
- Ⓒ SY - Syrian Arab Republic
- Ⓒ TJ - Tajikistan
- Ⓒ TZ - Tanzania
- Ⓒ TH - Thailand
- Ⓒ TL - Timor-Leste
- Ⓒ TG - Togo
- Ⓒ TO - Tonga
- Ⓒ TT - Trinidad and Tobago
- Ⓒ TN - Tunisia
- Ⓒ TR - Turkey
- Ⓒ TM - Turkmenistan
- Ⓒ TV - Tuvalu
- Ⓒ UG - Uganda
- Ⓒ UA - Ukraine
- Ⓒ AE - United Arab Emirates
- Ⓒ GB - United Kingdom
- Ⓒ US - United States of America
- Ⓒ UY - Uruguay
- Ⓒ UZ - Uzbekistan
- Ⓒ VU - Vanuatu
- Ⓒ VE - Venezuela
- Ⓒ VN - Viet Nam
- Ⓒ YE - Yemen
- Ⓒ ZM - Zambia
- Ⓒ ZW - Zimbabwe

Do you have operations in the EU and if so, do you operate from more than one Member State of the EU? *[One answer per line]*

	Yes	No
Operations in the EU?	<input checked="" type="radio"/>	<input type="radio"/>
More than one Member State?	<input checked="" type="radio"/>	<input type="radio"/>

Can you provide a short summary to explain what your operations entail and where your main operations take place?

The American Chamber of Commerce to the European Union (AmCham EU) speaks for American business 'committed to Europe on trade, investment and competitiveness issues'. We represent US companies active in the EU across many different industries and sectors including ecommerce, where we represent multiple stakeholders involved in the ecommerce supply and value chain. Given the omnichannel nature of e-commerce, this includes retail companies, marketplaces, fulfillment and logistics service providers with activities across the EU.

Please indicate which of the following sectors your company operate in for e-commerce. *[Multiple answers are possible]*

- Consumer electronics (e.g. phones, gaming consoles, TVs, remotes, etc.)
- Electronics accessories (e.g. phone covers, phone mounts, camera cases, etc.)
- Household appliances (e.g. irons, vacuum cleaners, coffee machines, etc.)
- Medication
- Personal care products (e.g. colognes, cotton swabs, deodorant, shampoo, cosmetics, etc.)
- Health care products (e.g. vitamins, mineral herbs, probiotics, etc.)
- Medical devices (e.g. thermometer, blood pressure monitors, etc.)
- Toys
- Textiles (e.g. clothing, shoes, etc.)
- Books
- Food products (e.g. herbs, cereals, baked goods, drinks, etc.)
- Tools
- Excise products (e.g. tobacco, cigarettes, alcoholic drinks, etc.)
- Other

If you indicated 'other', please specify in which other sectors your company operates for e-commerce.

How many imports of e-commerce consignments (parcels) do you deal with on an annual basis?

If applicable, approximately what percentage of your EU e-commerce sales do you fulfil by importing consignments from third countries?

Do you have direct experience with the import one stop shop (IOSS) simplification for VAT purposes? *[One answer per line]*

	Yes	No
As holder of an IOSS number	<input type="radio"/>	<input type="radio"/>
As declarant or representative	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>

Do you have direct experience with the special arrangement scheme for VAT purposes? *[One answer per line]*

	Yes	No
As seller or deemed supplier	<input type="radio"/>	<input type="radio"/>
As declarant or representative	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>

## Problem statement verification

---

The purpose of this section of the consultation is to confirm our understanding of the current challenges you or your organisation may experience when importing e-commerce parcels into the EU.

Are the following challenges relevant to you or your organisation/ company when dealing with e-commerce imports? *[One answer per line]*

	Very relevant	Relevant	Not so relevant	Not relevant	Don't know
Administrative challenges due to the (growing) volumes of e-commerce	<input type="radio"/>				

Administrative challenges due to the diversity of requirements for specific goods	<input type="radio"/>				
A significant fiscal customs and / or tax compliance burden	<input type="radio"/>				
A significant compliance burden for non-fiscal rules and measures (e.g. regulatory, sanitary, labelling, product standards, etc.)	<input type="radio"/>				
A significant burden to comply with the requirements for excise goods	<input type="radio"/>				
Unclear fiscal customs and/ or tax rules and a lack of guidance on these rules	<input type="radio"/>				
Unclear non-fiscal rules and measures and a lack of guidance on these rules	<input type="radio"/>				
Unclear rules for excise goods and a lack of guidance on these rules	<input type="radio"/>				
Insufficient alignment between Customs and Tax Authorities	<input type="radio"/>				
Insufficient alignment of Customs and Tax authorities with the governmental agencies responsible for the non-fiscal rules and measures	<input type="radio"/>				
The availability of electronic data on e-commerce transactions and the possibilities you have to obtain data	<input type="radio"/>				
The quality and reliability of the available data on e-commerce transactions	<input type="radio"/>				
The capacity of authorities to effectively control incoming e-commerce parcels	<input type="radio"/>				
Difficulties with the liability and accountability for taxes, duties and compliance with respect to the fiscal aspects of importing of e-commerce parcels	<input type="radio"/>				
Difficulties with the liability and accountability for non-fiscal measures when importing e-commerce parcels	<input type="radio"/>				
No level playing field for Non-EU e-commerce sellers and regular EU sellers on their tax, duty and/ or compliance burden	<input type="radio"/>				
Fraudulent activities by economic operators with respect to importing e-commerce parcels	<input type="radio"/>				

Are the following technological challenges relevant to you or your organisation/ company when dealing with e-commerce imports? *[One answer per line]*

	Very relevant	Relevant	Not so relevant	Not relevant	Don't know
Complex Data Management	<input type="radio"/>				
Lack of integration between national systems and processes	<input type="radio"/>				
Differences in the national applications of the various MS	<input type="radio"/>				
Lack of capacity of the IT systems of customs and / or tax authorities	<input type="radio"/>				
Lack of capacity of your available IT systems	<input type="radio"/>				
Constraints from legislations to implement a new technology	<input type="radio"/>				
Lack of Governance & Security model	<input type="radio"/>				

How well prepared are you to handle the upcoming volumes of the cross-border e-commerce goods with the current IT systems in place? *[One answer per line]*

	Very prepared	Moderate prepared	Minor prepared	Not prepared	Don't know
Undertaking customs controls	<input type="radio"/>				
Handling the customs procedures	<input type="radio"/>				
Other VAT aspect	<input type="radio"/>				
Others	<input type="radio"/>				

Which of the following technological evolutions should be explored by the European Commission in order to address cross-border e-commerce challenges in?

	Should be explored <i>[Yes/ No/ Don't know]</i>	For what purpose (e.g. risk analysis, automation, data exchange etc.)
Artificial intelligence		
Blockchain		
Data Security	Yes	Data security: To ensure data can be safely exchanged between actors in the ecommerce supply chain and customs authorities
Internet of things	Yes	Internet of things: IOT combines the vast amounts of data from different sources that are using the internet which can be combined by internal data owned by the EU to give insights in e-commerce and evolution.
Biometrics		
RFID technology		
EAN/QR codes	Yes	EAN/QR codes and big data: To allow customs authorities to spot VAT fraud more effectively (e.g. this can for example support an end-to-end system in place to link IOSS merchant/marketplace level identifier with the transaction level identifier for each shipment. It can also help customs authorities to manage non-financial risks more effectively (eg QR codes certifying the authenticity of a branded product).
Data/Big Data technology	Yes	
Cloud computing	Yes	
Other	Yes	

If you indicated 'other', please specify which other emerging technologies should be explored by the European Commission to address the challenges in cross-border e-commerce and why.

Scanning and imaging technology can support counterfeit detection

Are you planning investments in emerging technologies to handle the growing e-commerce import volumes (e.g. the emerging technologies from the list above or any other)? If so, please explain for what purpose and provide an indication in years when you expect to invest in this technology

Do you use or configure 3rd party solutions in order to comply with cross-border e-commerce? If so, please indicate the name of the 3rd party solution and the Member States where you use them.

GS1 bar code and standardization solutions developed by GS1

Do you or your organisation/ company experience any further challenges when dealing with e-commerce? If so, please explain these challenges below.

Based on your experience, please express your agreement or disagreement with the following statements concerning the e-commerce market and the import of e-commerce parcels. *[One answer per line]*

	Agree	Partly agree	Neither agree nor disagree	Partly disagree	Disagree	Don't know
Undervaluation for the import of e-commerce parcels is a common practice to avoid passing the threshold of €150 for the payment of customs duties.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Splitting of consignments is a common practice to avoid passing the threshold of €150 for the payment of customs duties.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

I can verify data that is provided to me about specific e-commerce parcels, such as the price or the description of the product.	<input type="radio"/>					
It is easy to obtain additional data on specific e-commerce parcels when this is required to verify the price or description of the product.	<input type="radio"/>					
Parties involved in the supply chains for the import of e-commerce parcels take (sufficient) responsibility for proper customs clearance.	<input type="radio"/>					
There is sufficient control from authorities on the non-fiscal rules and measures with respect to e-commerce parcels.	<input type="radio"/>					

## Purchasing e-commerce products

---

In this section of the consultation we will be asking specific questions relating to the purchase of e-commerce products to gain a better understanding of the e-commerce market.

Please indicate what type of products you have purchased online from non-EU sellers *[Multiple answers are possible]*

- Consumer electronics (e.g. phones, gaming consoles, TVs, remotes, etc.)
- Electronics accessories (e.g. phone covers, phone mounts, camera cases, etc.)
- Household appliances (e.g. irons, vacuum cleaners, coffee machines, etc.)
- Personal care products (e.g. colognes, cotton swabs, deodorant, shampoo, cosmetics, etc.)
- Health care products (e.g. vitamins, mineral herbs, probiotics, etc.)
- Medical devices (e.g. thermometer, blood pressure monitors, etc.)
- Medication
- Toys
- Textiles (e.g. clothing, shoes, etc.)
- Books
- Food products (e.g. herbs, cereals, baked goods, drinks, etc.)
- Tools
- Excise products (e.g. tobacco, cigarettes, alcoholic drinks, etc.)

Others

Approximately what proportion of your online orders from non-EU sellers are valued at €150 or less (not including taxes and duties)?

Include the percentage or place 'x' under don't know

	% of orders	Don't know
Response		

If the price was the same (including delivery), would you choose to purchase a good online or in a physical store? *[one answer]*

- Online
- Physical store

Please explain why you would choose to purchase online or in a physical store.

Would you purchase online from a non-EU country if you could get the same product at the same price or cheaper from this non-EU country than in your home country or in the EU? *[one answer]*

- Yes
- No

If you would not, why not?

Do you purchase goods online from non-EU countries because you cannot get the goods domestically or in the EU? *[one answer]*

- Yes
- No

If no, what is the main reason you purchase goods online from non-EU countries?

Have any of the following concerns prevented you from purchasing online from non-EU sellers? *[One answer per line]*

	Yes	No
--	-----	----

Longer delivery time	<input type="radio"/>	<input type="radio"/>
Higher shipping costs	<input type="radio"/>	<input type="radio"/>
Difficulties with returns	<input type="radio"/>	<input type="radio"/>
Uncertain consumer rights if my purchase is not as expected	<input type="radio"/>	<input type="radio"/>
Uncertainty regarding the use of my personal data or payment data	<input type="radio"/>	<input type="radio"/>
Uncertain product standards/quality	<input type="radio"/>	<input type="radio"/>
Unexpected costs after purchasing an e-commerce product (e.g. additional shipping costs or clearance and handling fees from postal operators)	<input type="radio"/>	<input type="radio"/>
Potential delays due to customs controls and/or payment of taxes and duties	<input type="radio"/>	<input type="radio"/>
Uncertainty on non-fiscal rules and measures (e.g. uncertain whether the products is a prohibited or restricted goods)	<input type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="radio"/>	<input type="radio"/>

## Compliance burden and costs for e-commerce transactions

---

The following questions relate to the total financial cost of all IT systems employed as an economic operator used in the movement of goods into the EU and the payment of import taxes and duties.

What was the initial cost of purchasing and setting up all IT systems required for managing your e-commerce import obligations?

Include the costs or place 'x' under not applicable

	Costs in €	Not applicable
Response		

What is the annual cost of running these IT systems (including staff costs)?

Include the costs or place 'x' under not applicable

	Costs in €	Not applicable
Response		

The following questions relate to the average time it takes to perform tasks associated with the imports of goods from non-EU countries into the EU. (note: this is about the total time spent actively on these tasks, not the duration from start to finish).

Approximately how long does it take to register yourself as a trader in the EU (e.g. EORI registration, VAT registration or IOSS registration)? *[One answer per line]*

Include the costs or place 'x' under not applicable

	Cost in €	Not applicable

Response	<p>Cost of domestic VAT registration ranges between EUR 500 to EUR 2000 per country depending on complexity. Registering for VAT in a country in which one is not established tends to come in at the higher end of this. Costs for document procurement / sworn translation / notarization required in some countries further increase the cost</p> <p>A VAT registration from start to finish can take between 109 and 197 days depending on country</p>	
----------	--	--

Is your company required to have any other registrations or authorisations related to importing e-commerce consignment into the EU? If so, please explain and include the approximate time and cost to register.

Several EU countries (notably IT, FR, ES and PL) require non-EU companies to appoint a VAT fiscal representative upon VAT registration. This is a considerable administrative burden and the annual cost ranges between 5 and 10K EUR.

When lodging declarations, approximately how long does it take to complete all the documentation required to import an average e-commerce consignment from non-EU countries into the EU? (note: completing documentation includes all stages from gathering the information, drafting the documentation, lodging the declaration and forwarding information to your client or on to the next stage of the supply chain)

Include the time or place 'x' under not applicable

	Times in minutes	Not applicable
Response		

What other costs than the above are there associated with importing into the EU? If possible, please provide a description and the approximate costs.

Approximately, how much time is spent communicating with other actors in the supply chain for a single consignment (e.g. freight forwarders, sellers, suppliers, brokers)?

Include the minutes or place 'x' under not applicable

	Times in minutes	Not applicable
Response		

Have you faced any additional costs solely in relation to moving goods into the EU (To comply with specific product requirements)? If so, please provide an indication of the initial and/or ongoing costs.

On average, what is the customs clearance fee per e-commerce consignment?

Include the costs or place 'x' under not applicable

	Costs in €	Not applicable
Response		

Is there a difference in the time spent on the customs clearance per e-commerce consignment when customs duties are levied or not? If so, please explain the difference in an approximate percentage.

Include the percentage or place 'x' under not applicable

	% of difference in time	Not applicable
Response		

Is there a difference in the clearance fee per e-commerce consignment when customs duties are levied or not? If so, please explain the difference in an approximate percentage.

Include the percentage or place 'x' under not applicable

	% of difference in cost	Not applicable
Response		

Is there a difference in the time-spent on the customs when IOSS or the special arrangement scheme is used for VAT purposes? If yes, please explain the difference in an approximate percentage.

Include the percentage or place 'x' under not applicable

	% of difference in time	Not applicable
Response		

Is there a difference in the clearance fee per e-commerce consignment when IOSS or the special arrangement scheme is used for VAT purposes? If yes, please explain the difference in an approximate percentage.

Include the percentage or place 'x' under not applicable

	% of difference in cost	Not applicable

## Policy solutions

In the following section of the consultation, we have included options to address known issues in relation to cross-border e-commerce. We would appreciate your view on whether they could constitute solutions for the current challenges, also taking into consideration your role within the e-commerce transaction chain.

Do you think the following options could be considered solutions for the current e-commerce challenges? *[One answer per line]*

	To a very large extent	To a large extent	To some extent	To a limited extent	Not at all	Don't know
Making platforms and marketplaces liable to pay customs duties, similarly to the model of the "deemed supplier" concept from the VAT directive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Setting up partnership programmes with compliant e-commerce operators harnessing their technological advances in exchange for trade facilitation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Extending the application of IOSS for the collection of VAT to consignments with a higher value than €150 (e.g. below a threshold of €1000)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Making IOSS mandatory for the collection of VAT up to a certain threshold.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Extending IOSS to also cover customs duties (and possibly excise duties)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Introduction of a flat rate for customs duties	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A separate customs value principle for e-commerce (e.g. the purchase price of the consumer)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Introducing the concept of 'importer' in EU customs law and making this 'importer' (jointly) responsible and liable for import obligations (and non-fiscal measures)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Adapting existing customs simplifications to facilitate data exchange and streamline customs formalities (i.e. adaptations that allow for periodic customs declarations and systematically relying on a transaction-based control approach)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
---	-----------------------	----------------------------------	-----------------------	-----------------------	-----------------------	-----------------------

Which of the following options in relation to the overhaul of the duty relief system (i.e. the EU duty relief threshold of €150) could be considered a solution for the current challenges? *[One answer per line]*

	To a very large extent	To a large extent	To some extent	To a limited extent	Not at all	Don't know
Removing the €150 customs duty relief threshold.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lowering the €150 threshold.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Increasing the €150 threshold.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Do you think the below policy options in relation to Integration and interconnectivity of IT systems could be considered solutions to the current challenges? *[One answer per line]*

	To a very large extent	To a large extent	To some extent	To a limited extent	Not at all	Don't know
National Single Window to lodge information and documentation needed for customs and non-customs authorities to fulfil formalities	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
EU Single Window to lodge the information and documentation needed for customs and non-customs authorities to fulfil formalities.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A data pipeline to enable customs to obtain data about e-commerce consignments directly from the seller, the freight forwarders or any other party.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please share with us any other solutions that were not mentioned before which you think could be valuable to assess when addressing the existing problems in relation to e-commerce?

## Conclusion

---

Would you like to add any further comments or suggestions on the challenges, compliance burden, technological evolutions or policy options for cross-border ecommerce?

- We support the EU's ambition to make customs processes and controls more efficient and harmonised. A frictionless and responsive customs environment is crucial for many of our members with extensive supply chains or operations across EU and international borders. Efficient and simple customs reduce costs and time to process imports, facilitates compliant international cross-border trade and minimises delivery delays and unexpected costs for EU customers.
- However, it should be a priority to strengthen the functioning and performance of the current IOSS system, in particular by removing inconsistencies between national customs authorities and addressing remaining misalignments between VAT and customs legislation. For example, the customs' IT systems in several key import landing countries are not ready to recognize IOSS numbers in H1 customs declarations which causes double VAT taxation for shipments declared under an H1 customs declaration even though these shipments are IOSS eligible.
- In addition, the current system is prone to misuse of IOSS numbers. This is due to the optionality of the IOSS, the fact that IOSS numbers cannot be kept confidential, but also the lack of transparency of IOSS holders to customs authorities (customs authorities can only verify the validity of an IOSS number, but not the identity of the actual holder). Another root cause for potential misuse is the fact that there is no end-to-end system in place to link IOSS merchant/marketplace level identifier with the transaction level identifier for each shipment. As a result, IOSS numbers can be misused by businesses intentionally (to avoid paying VAT at the customs border) or by mistake. This will lead ultimately to a burden on the IOSS registrant to explain reconciling differences between IOSS returns and EU customs data and to evidence under audit why he should not be held liable for IOSS misuse. In addition, this will drive new unlevel playing fields and lost VAT overall.
- The following actions should be undertaken on short and medium term, before considering to expand the IOSS further:
  - the IOSS system should be improved by introducing a VAT relief mechanism for double paid VAT. This would provide a solution to the most urgent issue, ie the current customs IT readiness issues in some countries for H1 declarations as flagged above, but also provides a solution in case of temporary customs system issues/system crashes.
  - Improve the green lane status of IOSS eligible shipments through supporting national customs to enable their IT systems to handle IOSS for all customs declaration types, including H1 customs declarations.
  - Strengthen the security of the IOSS ID and end-to-end integrity of the existing IOSS program before considering to expand the scope of the IOSS further.
  - Resolve remaining misalignments between VAT and customs legislation, for example between the IOSS VAT scope and the new customs competent office rule under article 221(4) the UCC/IA leading to non-IOSS eligible shipment < 150 EUR, such as B2B, requiring direct clearance in the final delivery country leading to capability issues with brokers and customs logistics partners.
  - Consider mandating IOSS for all shipments in current scope.
- **In parallel, the application of Special arrangements should be further harmonized across the EU. While there is value and purpose of Special Arrangements, unfortunately its benefits cannot be realised in all**

**27 EU Member States. Its weakness remains the ability of Member States to add additional criteria. Some of these are very cumbersome and they offset potential benefits thus adding no value.**

On longer term and once the performance of the current IOSS system is improved, broader reforms such as expanding the IOSS can be considered. We believe the following overarching principles should form the basis of any reform:

- Channel neutrality and level playing field for all forms and business models of commerce, regardless of where established.
- Reforms are data driven and based on economic reality based on how businesses operate.
- Reforms facilitate genuine and compliance trade to and from the EU.
- Proportionality of any new obligations for businesses.
- Rules are effectively enforceable by customs authorities, also against non-EU actors.
- Reforms appropriately address dependencies with VAT.

Concrete recommendations:

- Consider further simplifications to customs procedures: there are too many possible scenario's applying at the EU customs border from a fiscal measures perspective (eg distinction between IOSS and non-IOSS B2C parcels, B2B parcels currently not included in IOSS), goods subject to Prohibitions & Restrictions (IOSS eligible but with a different declaration / data set). Mandating this IOSS mechanism can be a first step towards simplification.
- Consider enhanced data sharing obligations for parties involved in Ecommerce supply chain: we believe customs duty collection can be further improved by data sharing obligations for parties involved in the ecommerce supply chain, and by effectively using this data. Marketplaces using the IOSS are already reporting VAT data through this system. In addition, as from 2024, Payment Service providers will also start sharing data via the 'Central Electronic System of Payment information' (CESOP). Additional enhanced data sharing by actors in the Ecommerce supply chain can help address the detection of undervaluation, VAT and customs fraud, and the detection of non-financial risks. We believe the following considerations should be taken into account for defining data sharing obligations:
  - An EU harmonized and digitized **One-Stop Shop approach** is strongly preferred, i.e. data sharing should be centralized via a one digital customs interface within the EU.
  - **Responsibility for the correctness of the data shared should be balanced**, and take into account that for example marketplaces largely depend on data provided by the seller and marketplaces cannot verify the accuracy of most of these datapoints.
  - **Data privacy and confidentiality** should be safeguarded and data minimisation principles should apply.
  - **Level playing field**: additional data sharing obligations and liability should apply broadly, irrespective of the place of establishment, business model, etc..  
**Actionable datapoints**: the datapoints shared should be actionable, scalable and should contribute to more effectively manage financial and non-financial risks. It is key to identify an effective matching data key to link between the data provided by different actors. Required datapoints should be determined based on a **risk based approach**.
  - It should also be considered whether sharing data can be **reciprocal (i.e. from authorities to economic operators)**, as this would allow business to identify bad actors.
- For aggregator liability to be considered, the party that has best access to the customs data needed to calculate the duties should be identified. For example, B2C Ecommerce sales and in particular low

value shipments are often made under DDU/DAP Incoterms and therefore customs clearance is done by or on behalf of the final customers. In case of DDP sales, customs clearance done by or on behalf of the Seller. In this respect, marketplaces have no control or line of sight on the import country and import clearance process.

- If an extension of the IOSS to high value shipments (above 150EUR) is considered, careful assessment is needed of the interaction with customs duties, as high value shipments are subject to customs duties and these are to be included in the taxable base for VAT purposes.
- Threshold for duty exemption: interdependencies with VAT should be carefully considered before changing the threshold. Lowering the threshold would not be helpful at all and would be contrary to trends in rest of the world. Based on global precedent, there is certainly scope to increase the customs duty threshold alongside any increase in IOSS threshold as the EU has a threshold lower than many major markets around the world. It would therefore make sense for the study to quantify the trade-off between lost duty versus higher and less costly VAT collections stemming from an increased threshold. Given the comparatively low duty rates in the EU compared to VAT rates, we suspect the findings of a study of an increased duty exemption threshold would be positive
- A key mechanism to increase efficiency of the EU Customs Union should be to further facilitate trade by trusted traders, as this will support compliant and legitimate businesses while allowing customs authorities to focus more on fraud and non-compliance risk areas. This should be achieved by allowing enhanced benefits for Authorized Economic Operators (AEO). A key simplifier that should urgently be operationalized for AEO traders is the centralized customs clearance capability designed in a way that would truly be centralized (i.e. with the decisive role of the MS of identification only). AEO traders should also have access to post-entry data to check for any inconsistencies with for example Import One Stop Shop return data (this is currently only possible in a limited number of Member States).

