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By PwC Deutschland | 18 July 2025

VAT: Council formally adopts new rules simplifying tax collection for imports

The EU Council today formally adopted new value added tax (VAT) rules for distance sales of imported goods. The new rules take the form of a directive which amends directive 2006/112/EC, known as the VAT directive.

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The directive will improve the collection of VAT on imported goods by ensuring suppliers are always liable for VAT paid on imports, rather than the EU consumer as is currently usual practice. This should encourage suppliers outside the EU to use the VAT import one-stop shop (IOSS) for VAT reporting and collection.

Import one-stop-shop (IOSS)

The already-existing IOSS serves as a point of contact for importers of goods from third countries into the EU. It simplifies VAT declaration and payment when importing goods into the EU, since it is only necessary to register in one member state even when making sales throughout the EU.

Non-EU traders or platforms will now be made liable for VAT on imported goods, paid in the member state of final destination of the goods. This will encourage use of the IOSS for VAT, as foreign traders or platforms that do not use the system otherwise need to register in each EU member state in which they sell goods.

As the IOSS enables VAT payments up front when the consumer purchases the item, rather than at the border, it protects member states' tax revenues and increases VAT compliance for imports. It also shifts the burden for VAT collection from customers to platforms.

Next steps

The directive will now be published in the Official Journal of the EU and will enter into force twenty days later. The rules will apply from 1 July 2028.

Source:

Council of the EU, **press release of 18 July 2025**.

Keywords

Supply of goods, import VAT