



## VAT SOLUTIONS FACT SHEET

### VAT & E-COMMERCE LOGISTICS IN Luxembourg – Q1 2019

Implementing a distribution hub in Luxembourg for e-commerce enables efficient deliveries of the online purchases to your EU customers. You must then comply with EU VAT regulations.

#### Benefit of Luxembourg advantages

- Located at the heart of Europe
- Free circulation of the products within the EU
- No prefinancing of import VAT
- No prefinancing of VAT on EU purchases
- The lowest EU VAT rate applies on your first sales to EU private persons (standard VAT rate 17%)

#### Complying with EU VAT regulations

- Client has no bad surprise : prices include VAT
- Luxembourg VAT applies on your online sales of goods to EU private persons, until your sales exceed the threshold in the destination country: local VAT applies then (see table hereafter)
- Importation and purchase of goods that are delivered in Luxembourg must be periodically reported to the Luxembourg VAT authorities

#### VAT compliance requirements

Your company, owner of the goods sold, must :

- Be registered for VAT in Luxembourg
- Periodically report its purchases and sales to the Luxembourg VAT authorities and pay VAT that was invoiced to the client
- Issue invoices in compliance with EU VAT regulations

#### Need VAT assistance ? Contact us !

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## FACT SHEET – VAT & E-COMMERCE LOGISTICS IN LUXEMBOURG

Luxembourg VAT applies on the online sales of goods that are delivered from Luxembourg, as long as the yearly volume of your sales to private persons in a EU destination country does not exceed the threshold laid down by that country. Should you exceed the yearly threshold, your company should also register for VAT in the destination country to charge local VAT (see applicable thresholds and standard VAT rates hereafter).

New rules will enter into force in 2021, that will simplify these rules, enabling a centralized VAT registration in one single member state to declare and pay VAT for all EU countries.

Country	Local threshold	VAT	Country	Local threshold	VAT
Austria	35 000 EUR	20%	Latvia	35 000 EUR	21%
Belgium	35 000 EUR	21%	Lithuania	35 000 EUR	21%
Bulgaria	70 000 BGN (+/- 35 791 EUR)	20%	Hungary	35 000 EUR	27%
Croatia	270 000 HRK (+/- 36 291 EUR)	25%	Malta	35 000 EUR	18%
Czech Republic	1 140 000 CZK (+/- 44 873 EUR)	21%	Netherlands	100 000 EUR	21%
Denmark	280 000 DKK (+/- 37 595 EUR)	25%	Poland	160 000 PLN (+/- 37 859 EUR)	23%
Germany	100 000 EUR	19%	Portugal	35 000 EUR	23%
Estonia	35 000 EUR	20%	Romania	118 000 RON (+/- 25 305 EUR)	19%
Ireland	35 000 EUR	23%	Slovenia	35 000 EUR	22%
Greece	35 000 EUR	24%	Slovakia	35 000 EUR	20%
Spain	35 000 EUR	21%	Finland	35 000 EUR	24%
France	35 000 EUR	20%	Sweden	320 000 SEK (+/- 31 390 EUR)	25%
Italy	35 000 EUR	22%	United Kingdom	70 000 GBP (+/- 80 197 EUR)	20%
Cyprus	35 000 EUR	19%	Source : European Commission (April 2018)		