



## VAT SOLUTIONS

### FACT SHEET

## VAT & LOGISTICS IN LUXEMBOURG

Implementing a distribution hub in Luxembourg enables efficient deliveries to your EU customers.  
The owner of the goods stored in Luxembourg must then comply with EU VAT regulations.

### Benefit of Luxembourg advantages

- Located at the heart of Europe
- Free circulation of products within the EU
- No prefinancing of import VAT
- No prefinancing of VAT on EU purchases
- Use the One Stop Shop (OSS) for online B2C sales
- No need to implement a Luxembourg company : a foreign company can register for Luxembourg VAT

### Complying with EU VAT regulations

- B2C - Client has no bad surprise: prices include VAT
- B2C - The VAT of the country of destination applies, it can be declared using the OSS regime
- Export sales are VAT exempt
- B2B intracommunity sales are VAT exempt
- Incoming and outgoing transactions must be periodically declared to the Luxembourg VAT administration

### VAT compliance requirements

Your company, owner of the goods sold, must :

- Be registered for VAT in Luxembourg
- If applicable, be registered with the OSS
- Periodically report its purchases and sales to the Luxembourg VAT authorities
- Pay VAT invoiced to the client
- If applicable, issue invoices in compliance with European VAT regulations

### Need VAT assistance? Contact us!

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# FACT SHEET – THE VAT/OSS REGIME FOR E-COMMERCE

**B2C sales : VAT is due in the Member State of destination, with the possibility to declare VAT due in other Member States using the One Stop Shop (OSS) system.**

## What is the One Stop Shop (OSS) ?

The OSS is an optional electronic system allowing to:

- register for VAT electronically in a single Member State to report there all intra-EU distance sales of goods to private individuals
- declare and pay VAT due in the other member states in a single electronic quarterly return

## Which sales does the OSS cover?

The OSS covers the distance sales of goods to EU customers (private individuals).

The OSS does not apply to the following transactions:

- Domestic sales
- Exempt sales to taxable persons
- Exempt export sales
- Purchases

## How to register and what do you need to do if you use the OSS ?

Each EU Member State has an online OSS portal where businesses can register.

- Companies established in the EU must register to the OSS portal of their country of establishment ;
- Companies established outside the EU must register to the OSS portal of the EU country where their stock is located.

This single registration will, however, be valid for all sales to consumers in other EU Member States.

If you opt to use the OSS you should:

- apply the VAT rate of the destination Member State
- submit an electronic quarterly VAT return via the OSS portal of the Member State where you are registered for OSS
- make a quarterly payment of the VAT declared in the VAT return to the Member State where you are registered for OSS
- keep records of all eligible OSS sales for 10 years

The OSS does not exempt you from the obligation to register for VAT in the country where the stock is held!