

## Your VAT obligations in the UK & EU

<h2><h2 id="section1">What is VAT?</h2>VAT is a tax on consumer spending.

When a VAT registered seller makes sales within the UK or EU, they are obliged to collect VAT based on the delivery country of their goods. This VAT must be passed on to the national tax authorities via periodic VAT return filings. In most countries it is possible to register for VAT online, and to complete your VAT filings through the local tax authority's website. In practice, the following situations will normally trigger mandatory VAT registration in the UK or the EU:

- Sales of goods which exceed a locally defined threshold. Note that thresholds vary from country to country and do not generally apply to overseas or non-established sellers. If a seller is selling goods domestically, they should check the threshold with their tax authorities or a local tax advisor.
- Sales of goods from a local warehouse, by a non-resident seller (forward deployed inventory).
- Sales of digital or e-services to private individuals.
- For the EU only, cross-border sales in excess of the EUR 10,000 intra-EU threshold.

If you are an EU-based seller who makes sales to non-VAT registered buyers in any EU countries, and the combined total of those sales exceeds EUR 10,000, you will need to collect VAT in all EU countries based on the delivery address. To do this you will either have to register for VAT in each of the EU countries where you make sales, or use the <a href="https://vat-one-stop-shop.ec.europa.eu/one-stop-shop\_en" target="\_blank">EU VAT One Stop Shop</a>. More information can be found at the following sites:

- UK: <a href="https://www.gov.uk/vat-registration/when-to-register" target="\_blank">VAT registration</a>;
- <a href="https://www.gov.uk/guidance/vat-overseas-businesses-using-an-online-marketplace-to-sell-goods-in-the-uk" target="\_blank">Businesses selling goods in the UK using online marketplaces</a>;
- EU: <a href="https://taxation-customs.ec.europa.eu/online-sellers\_en" target="\_blank">Information for online sellers</a>.

It is mandatory that you display your VAT identification

number on the eBay site in connection with your listings. This can be done by updating your business seller information page. This is also explained in our <https://pages.ebay.com/seller-center/service-and-payments/tax-information.html>

[Seller Center - opens in new window or tab](#). Please speak with a tax professional if you have any questions about your tax obligations.

## Sales to buyers in the UK

Goods sold in the UK are subject to UK VAT. The standard UK VAT rate is 20%, but the rates of 5% and 0% may also apply to certain items. Where goods are imported into the UK, import VAT and in certain cases customs duty will apply. The VAT rate due at import will be the same rate as would be applied if the goods were supplied within the UK. In some circumstances, eBay is responsible for collecting and remitting the VAT on goods sold within the UK. More information about UK VAT on [gov.uk](https://www.gov.uk/vat-rates)

VAT rates

<https://www.gov.uk/topic/business-tax/vat> VAT: detailed information

<https://www.gov.uk/guidance/rates-of-vat-on-different-goods-and-services>

UK VAT rates on different goods and services and VAT exempt categories

### When eBay will collect and remit UK VAT

eBay is obliged to collect UK VAT on goods sold through eBay to UK customers in the following circumstances:

- Goods imported into the UK, with a parcel value of up to **£135**. Note that there is no longer a VAT exemption for small consignments up to **£15**
- Goods of any value sold by a non-UK seller and shipped from inventory stored in the UK. Sellers may still have UK VAT obligations and should consult their tax advisors for further information
- If an order fits either of these criteria, neither sellers nor carriers should collect VAT from UK buyers. eBay will collect the VAT from the buyer and remit it to HMRC
- If a buyer receives a refund for a canceled order or a return, eBay will refund the VAT to the buyer in cases where eBay collected the VAT on

the original transaction.

eBay is obligated to collect UK VAT on the full value of the transaction including shipping costs, as the shipping costs are considered part of the total purchase. The VAT on the shipping charges apply at the same rate as the item(s) in the shipment.

eBay will not collect UK VAT if:

- imported goods have a consignment value above £135. In practice, the recipient pays import VAT to the shipping agent as part of clearing the package through UK customs
- the buyer is UK VAT-registered and has entered their valid UK VAT registration number on their eBay account. In these cases, eBay will not collect UK VAT and instead the responsibility to account for VAT will switch to the UK VAT-registered customer
- consignments of goods containing excise goods such as alcohol and tobacco are imported into the UK. Learn more about <https://www.gov.uk/guidance/receive-goods-into-and-remove-goods-from-an-excise-warehouse-excise-notice-197> the UK's requirements for the holding and movement of excise goods within the UK and the EU.

Overview:

When eBay is responsible for UK VAT	Seller location	Consignment value (excl shipping and VAT)	Item location at the time of sale	eBay to collect UK VAT on sales
Inside UK	Up to £135	Outside UK	Yes**	Inside UK
Above £135	Outside UK	No (but VAT and duties may be payable by the buyer directly to HMRC/the carrier)*	Outside UK	Up to £135
Outside UK	Yes	Outside UK	Above £135	Outside UK
No (but VAT and duties may be payable by the buyer directly to HMRC/the carrier)*	Outside UK	Any value	Inside UK	Yes***
Inside UK	Any value	Inside UK	No	Anywhere
Digital goods of any value	Anywhere	Yes		

\*Additional VAT and duties may be payable by the buyer on delivery. Sellers should check the availability of their duty-paid solutions to ensure seamless buyer experience with their carrier.

\*\*Buyers with a valid UK VAT registration number on file with eBay will need to self-account for VAT under the reverse charge. eBay will not collect VAT but will issue the buyer with a reverse charge invoice.

\*\*\*eBay will not collect VAT on sales between a UK VAT registered seller and a UK VAT registered buyer, where the goods are in the

UK.

When shipping through eBay International Shipping (eIS) into the UK:

Where eBay is responsible for remitting VAT, eIS will collect VAT from the buyer on behalf of eBay.

Where eIS is used, but eBay is not responsible for VAT, eBay's designated carrier will clear goods into the UK on behalf of the buyer. UK import VAT (and duties where applicable) will be collected from the buyer based on the value of the goods plus any applicable shipping and will be used to clear the goods into the UK.

eBay VAT calculation methodology:

Sellers listing on eBay.co.uk and European eBay sites have the option to provide a gross price and separate VAT rate, so that eBay can determine the net price and correct amount of VAT to collect from consumers.

eBay will use the values provided by you when listing your items (gross price and VAT rate) to determine the net price.

eBay will then calculate the VAT payable by the buyer, based on the VAT rate of the item sold in the delivery country. eBay will apply VAT to any shipping charges at the same rate as the VAT applied on the item.

eBay will remit the net amount to the seller, and the VAT amount to the appropriate tax authority.

For non-EU/non-UK sellers, unless you have included UK or EU VAT in your pricing calculations, the VAT rate will usually be 0% and may be left blank.

Margin sellers may also leave the VAT rate blank. As eBay cannot apply a margin scheme, VAT needs to be collected on the full value of the item sold. If you indicate a VAT rate, this may lead to a reduction in the net amount you receive.

VAT-registered seller - As shipments between Great Britain and the EU are considered as export sales, in cases where eBay is not responsible for VAT, the prices will also be adjusted to show a net price to buyers. Buyers will still need to pay import VAT on delivery.

Where eBay has no obligation to collect VAT, e.g. an EU (or Northern Ireland) based seller shipping goods from within the EU to an EU (or Northern Ireland) based buyer, eBay will not carry out any additional tax calculations and the selling price will remain the same as at listing. Sellers who are registered under the EU One Stop Shop scheme will need to account for VAT at the appropriate value on their

sales

- How VAT appears to buyers:
- All prices on eBay.co.uk will be displayed inclusive of UK VAT. UK buyers will see VAT-inclusive pricing when they view listings in search and on the listing page
- Where eBay is responsible for collecting VAT on orders sent to a UK delivery address, this amount will also be shown separately on the invoices issued to buyers
- eBay seller tax-related responsibilities:
- Sellers may be required to collect VAT in cases where eBay is not obliged to collect VAT, for example if the buyer is a VAT registered buyer. In these cases, eBay will provide you with the buyer's details so that VAT can be collected correctly
- You are responsible for listing the item and item specifics accurately and ensuring that the item location is correct. You need to ensure that your account details, including name, registered address, legal entity name, VAT identification number(s) and the location goods are shipped from are accurate and up to date.

## id="section5">Sales to buyers in the EU

Goods sold in the EU are generally subject to VAT. The VAT rates which apply differ by country and are based on the type of goods sold. Where goods are imported into the EU, import VAT and, in certain cases, customs duty will apply. The VAT rate due at import will be the same rate as would be applied if the goods were supplied within the country of import. In some circumstances, eBay is responsible for collecting and remitting the EU VAT. More information about EU VAT rules

[href="https://taxation-customs.ec.europa.eu/taxation-1/value-added-tax-vat\\_en"](https://taxation-customs.ec.europa.eu/taxation-1/value-added-tax-vat_en)

[target="\\_blank">General information on VAT](#)

[href="https://taxation-customs.ec.europa.eu/taxation-1/value-added-tax-vat/eu-country-specific-information-vat\\_en"](https://taxation-customs.ec.europa.eu/taxation-1/value-added-tax-vat/eu-country-specific-information-vat_en) [target="\\_blank">EU country specific information on VAT](#)

[href="https://taxation-customs.ec.europa.eu/online-sellers\\_en"](https://taxation-customs.ec.europa.eu/online-sellers_en) [target="\\_blank">VAT information for online sellers](#)

[href="https://european-union.europa.eu/principles-countries-history/country-profiles\\_en"](https://european-union.europa.eu/principles-countries-history/country-profiles_en)

[target="\\_blank">Member States of the EU](#)

id="section6">When eBay will collect and remit EU VAT</h3><ol><li>eBay is obliged to collect VAT on goods sold through eBay to EU customers in the following circumstances:<ul><li>Goods imported into the EU with a parcel value of up to EUR 150. For shipments into France, eBay collects VAT on all goods, regardless of parcel value. Note that there is no longer a VAT exemption for small consignments up to EUR 22</li><li>Goods of any value sold by a non-EU seller and shipped from inventory stored in the EU. Sellers may still have EU VAT obligations and should consult their tax advisors for further information</li></ul>If an order fits either of these criteria, neither sellers nor carriers should collect VAT from buyers in the EU. eBay will collect the VAT from the buyer based on the country of delivery and remit it to the responsible tax authorities.</li><li>If a buyer receives a refund for a canceled order or a return, eBay will refund the VAT to the buyer in cases where eBay collected the VAT on the original transaction.</li><li>eBay is obligated to collect VAT on the full value of the transaction including shipping costs, as the shipping costs are considered part of the total purchase. The VAT on the shipping charges apply at the same rate as the item(s) in the shipment.</li><li>eBay will not collect EU VAT if:<ul><li>imported goods have a consignment value above EUR 150 (except for deliveries to France, see table below). In practice, the recipient pays import VAT to the shipping agent as part of clearing the package through customs</li><li>goods owned by a non-EU seller are already in the EU, but the buyer is VAT-registered and has provided their valid VAT registration number to eBay. In these cases, eBay will not collect VAT and instead the responsibility to account for VAT will switch to the VAT-registered customer</li><li>consignments of goods containing excise goods such as alcohol and tobacco are imported into the EU</li><li>imports are below EUR150 and the buyer is EU VAT-registered and has entered their valid EU VAT identification number in their account. In these cases, eBay will not collect EU VAT and instead the respective Customs Authority/carrier will collect upon importation</li></ul></li></ol>Overview: When eBay is responsible for EU VAT</thead><table><thead><tr><th>Seller location</th><th>Consignment value</th><th>Item location at the

time of sale eBay to collect VAT

	Anywhere	Up to EUR 150	Outside EU
Yes**Seller to provide IOSS ID to carrier	Anywhere	Above EUR 150 (not shipped to France***)	Outside EU
No**Anywhere	Above EUR 150 shipped to France***	Outside EU	Yes**Seller to provide eBay's French VAT ID to carrier
Outside EU	Any value	Inside EU	Yes*Inside EU
Any value	Inside EU	No	

\*If a buyer has a valid VAT registration number on account, eBay will not collect VAT. \*\*Additional VAT and duties may be payable by the buyer on delivery. Sellers should check the availability of their duty-paid solutions to ensure seamless buyer experience with their carrier. \*\*\*"France" includes Metropolitan France, Monaco and Corsica for the purposes of France import VAT

- When shipping through eBay International Shipping (eIS) into the EU:
- Where eBay is responsible for remitting VAT, eIS will collect VAT from the buyer on behalf of eBay
- Where eIS is used, but eBay is not responsible for VAT, eBay's designated carrier will clear goods into the EU on behalf of the buyer. Import VAT (and duties where applicable) will be collected from the buyer based on the delivery country and the value of the goods plus any applicable shipping and will be used to clear the goods into the EU

eBay VAT calculation methodology:

- Sellers listing on eBay.co.uk and European eBay sites have the option to provide a gross price and separate VAT rate, so that eBay can determine the net price and correct amount of VAT to collect from consumers
- eBay will use the values provided by you when listing your items (gross price and VAT rate) to determine the net price
- eBay will then calculate the VAT payable by the buyer, based on the VAT rate of the item sold in the delivery country
- eBay will apply VAT to any shipping charges at the same rate as the VAT applied on the item
- eBay will remit the net amount to the seller, and the VAT amount to the appropriate tax authority

For non-EU/non-UK sellers, unless you have included UK or EU VAT in your pricing calculations, the VAT rate will usually be 0% and may be left blank

Margin sellers may also leave the VAT rate blank. As eBay cannot apply a margin scheme, VAT needs to be collected on the full value of the item sold. If you indicate

a VAT rate, this may lead to a reduction in the net amount you receive

VAT-registered seller - As shipments between Great Britain and the EU are considered as export sales, in cases where eBay is not responsible for VAT, the prices will also be adjusted to show a net price to buyers. Buyers will still need to pay import VAT on delivery

Where eBay has no obligation to collect VAT, e.g. an EU (or Northern Ireland) based seller shipping goods from within the EU to an EU (or Northern Ireland) based buyer, eBay will not carry out any additional tax calculations and the selling price will remain the same as at listing. Sellers who are registered under the EU One Stop Shop scheme will need to account for VAT at the appropriate value on their sales

How VAT appears to buyers:

- All prices will be displayed inclusive of VAT based on the site country. Buyers will see VAT-inclusive pricing when they view listings in search and on the listing page
- Where eBay is responsible for collecting VAT on orders sent to an EU delivery address, this amount will also be shown separately on the invoices issued to buyers

eBay seller tax-related responsibilities:

- Where eBay has collected VAT on imported goods up to EUR 150, eBay will provide sellers with eBay's IOSS number to use as part of the import information. Sellers should only use this number in connection with eBay transactions. Where eBay becomes aware of seller misuse of the eBay IOSS number, eBay will take necessary actions against the seller
- Sellers should include eBay's IOSS as part of the export pre-notification documentation provided to carriers. If eBay's IOSS is not provided correctly, then buyers may be asked to pay VAT a second time

For the Shipping Services File (SSF) from USPS submitted with the mailing, sellers should enter eBay's IOSS number in the Importer's Reference field

Importers Reference Type = VAT Number

Importers Reference Number = IOSS VAT identification number (Note: sellers may preface the number value with "IOSS" to help the destination country distinguish the IOSS VAT identification number from other issued tax identification



numbers.

- If a sender would like to include the customer's order number in the SSF, it should be entered in the Sender's Customs Reference field

International Post Corporation (IPC) strongly recommends the IOSS VAT identification number not be printed on hard copy versions of customs forms affixed to physical packages

More information for [UPS](https://www.ups.com/gb/en/business-solutions/grow-your-business-solutions/expand-internationally/regulatory-compliance.page) - opens in new window or tab and [FedEx](https://www.fedex.com/en-us/eu-vat.html) - opens in new window or tab

Sellers may be required to collect VAT in cases where eBay is not obliged to collect VAT, for example, if the buyer is a VAT registered buyer. In these cases, eBay will provide you with the buyer's details so that VAT can be collected correctly

You are responsible for listing the item and item specifics accurately, and ensuring that the item location is correct. You need to ensure that your account details, including name, registered address, legal entity name, VAT identification number(s) and the location goods are shipped from are accurate and up to date

### EU distance selling rules

For EU resident sellers, there is a single EU-wide threshold of EUR 10,000 for goods shipped to consumers within EU (distance sales). If your intra-EU distance sales are above the threshold of EUR 10,000, you should charge VAT based on the delivery country either through:

- A direct VAT registration for each Member State you are selling to, or

Using the [One Stop Shop \(OSS\)](https://vat-one-stop-shop.ec.europa.eu/index_en)

If your intra-EU sales remain below EUR 10,000, you can apply the domestic rules for VAT on your cross-border sales. If you are uncertain about how distance selling rules apply to your business, you should consult your tax advisor.

## About invoices

Where eBay has collected VAT under the UK or EU rules:

- eBay will issue the invoice to the buyers. Invoices will include the VAT amount collected by eBay. eBay will remit this VAT amount to the responsible tax authorities.

Sellers should not issue separate VAT invoices in these cases. Sellers should also not adjust their prices after checkout

- For sellers where eBay collects UK VAT on the transaction, eBay will issue the sellers with a transaction document showing details of the sales which can be used as evidence for their records that eBay has collected VAT
- For sellers where eBay collects EU VAT on the transaction under OSS or IOSS rules, eBay will issue sellers with either a transaction document (imports) or a self-billing invoice (valid VAT registration number on file, with goods sold from within the EU) as appropriate. This document will show details of the transaction for which eBay has taken on VAT responsibility, and can be used for the seller's own records as evidence that eBay has collected VAT
- Sellers who are not using Seller Hub can download reports by simply navigating to: My eBay > My Account > Seller Account > Account Activity and scroll down to download the report
- Sellers using Seller Hub can download a report of all orders by going to My eBay > Selling > and download the report of all orders

eBay will not issue invoices for French VAT collected on imports above EUR 150

## About margin schemes

Business sellers are eligible to use the VAT margin schemes when they are selling the following products:

- Second-hand goods
- Works of art
- Antiques
- Collectors' items

However, under EU and UK rules, where eBay has VAT collection obligations, eBay cannot legally apply margin schemes for those products. Where eBay is obliged to collect VAT on these types of items, eBay will collect VAT on the full value at the appropriate rate to the items.

## Failure to meet VAT requirements

eBay takes VAT compliance seriously. If eBay determines or receives official information that you are not meeting your VAT obligations, or if you provide incorrect information which does not permit eBay to collect VAT correctly in cases where eBay is obliged to collect VAT, your account may be blocked from selling and your active listings removed. You will need to contact us before we can remove any selling restriction. In order to prevent any impact on your sales through eBay, you should always ensure that your account is up

to date, with details of your registered addresses, your VAT identification numbers, and any locations from which you ship your goods. Please speak with a tax professional if you have any questions about your tax obligations.

## Helpful links

- [Tax policy](https://www.ebay.com/help/policies/selling-policies/tax-policy?id=4348): tax regulations that apply to eBay sales
- [Taxes and import charges](https://www.ebay.com/help/selling/fees-credits-invoices/taxes-import-charges?id=4121)
- [Paying tax on eBay purchases](https://www.ebay.com/help/buying/paying-items/paying-tax-ebay-purchases?id=4771)
- [International purchases and shipping for buyers](https://www.ebay.com/help/buying/shipping-delivery/changing-delivery-address-method/international-purchases-shipping?id=4057)