

Paolo Gentiloni  
Commissioner for Economy  
European Commission  
Rue de la Loi 200  
1040 Brussels, Belgium

Cc : Gerassimos Thomas, Dominik Schnichels

Brussels, 09 April 2021

**Subject : Implementation of the VAT e-commerce package and changes to low value shipments**

Dear Commissioner Gentiloni,

The undersigned trade associations represent European Customs Brokers and freight forwarders, the Express Delivery Sector, the American Businesses active in Europe, cargo owners and Public Postal Operators.

Our members and their customers have a vast interest in a smooth and effective implementation of the new cross-border EU VAT e-commerce package. Today, we would like to request a delay in its implementation based on the current lack of readiness of EU Member States to properly implement the new rules by 1 July 2021. We recommend to set a new date for uniform implementation based on proven and tested readiness of all relevant systems and procedures in all EU Member States and not earlier than 15 January 2022.

**Lack of readiness of EU Member States for 1 July 2021**

We thank the European Commission for its continuous efforts to deliver a successful and on-time implementation of the upcoming changes . We would, however, like to draw your attention to the lack of readiness of a large number of Member States and growing unharmonised implementation in the EU, and the impact that this has on the preparation by trade, and consequential damage it will cause to European consumers, businesses and governments if the implementation would go ahead as planned.

Today, three months before deployment, Member States still report challenges in ensuring a fully functional deployment of the VAT and customs electronic systems, required to support the measure in a timely fashion. We witness the creation of a patchwork of country-specific solutions, some of which go against key objectives of the e-commerce package. In the absence of an overview provided by the Commission, we have collected the following information:

- Two Member States stated they will not be ready from a customs and VAT perspective and are replanning beyond 1 July 2021, using interim systems or the existing system for individual customs declarations for a temporary period. Among the suggested

workarounds, there are some which present significant complications. We face situations where the lodgement of the customs declaration would not be done based on the current IT infrastructure but would be largely manual.

- Three Member States will not be ready to use the Super Reduced Data Set (SRDS) and will impose a full declaration, which eliminates the possibility for simplifications on the practical implementation as agreed within DG TAXUD's Project Group on Low Value Consignments, and distorts the level playing field in the e-commerce environment.
- Out of 27 Member States, only 13 Member States have so far provided full technical specifications, while 9 others could only partially publish. The remaining 5 Member States have provided no information or the system development has been stopped.
- Furthermore, we have concluded that the technical specifications provided by the Member States are not always stable: after being made available to trade, they are being updated frequently, resulting in rework for the IT developers of the economic operators.

In light of the above, we consider that it is necessary to provide Member States with more time to ensure proper and uniform implementation, allowing companies to prepare for the new procedures, and ultimately improve the practical experience of all stakeholders involved in e-commerce. Even if Member States would now publish full and final technical specifications, the time required by economic operators to change their systems, process functional and technical requirements, start development, perform end-to-end and user acceptance testing and provide training is too short.

In the absence of a harmonised approach at the EU level, we expect a wide-spread failure of the implementation due to lack of systems readiness. Furthermore, a patchwork of diverging requirements in Member States will hamper economic operators importing in all Member States. The effect of a potential failure of implementation would be magnified by the sharp rise of e-commerce transactions due to the Covid-19 pandemic and the increase in volumes brought about by the recent withdrawal of the UK from the EU.

In a normal situation, Customs administrations and economic operators would already be facing challenges to implement the new legislation. The impact of a deadline driven objective without considering the full preparedness of all Member States (and therefore) stakeholders or a harmonized implementation is bound to cause a negative impact, resulting in significant border clearance delays and a highly reduced customer and consumer satisfaction level. Harmonization and additional time would also be needed to attract marketplaces and traders to register for the IOSS – essential for a successful implementation.

## Conclusion and recommendation

Proceeding with full implementation of the VAT e-commerce package on 1 July 2021 will result in significant disruption and unequal and unfair treatment of economic parties within the different EU Member States.

We therefore call on the EU to delay the implementation of the VAT e-commerce package until all EU Member States are fully ready to take up the new rules from the first day of introduction. In order to ensure minimal disruption to trade – who are in full preparation mode for implementation of the new rules – any delay agreed by the EU should be communicated as early as possible and not later than mid-April 2021.

We look forward to hearing from you and remain at your disposal to discuss this issue in further detail.

Yours sincerely,



A handwritten signature in blue ink, appearing to read 'Stephanie Meyer-van Breukelen'.

Stephanie Meyer-van Breukelen  
Chair, European Express Association



A handwritten signature in blue ink, appearing to read 'Nicolette van der Jagt'.

Nicolette van der Jagt  
Director General, CLECAT



A handwritten signature in blue ink, appearing to read 'Jean-Paul Forceville'.

Jean-Paul Forceville  
Chairman, PostEurop



A handwritten signature in blue ink, appearing to read 'Walter Van der Meiren'.

Walter Van der Meiren  
Chair,  
AmCham EU's Customs and Trade Facilitation Committee



A handwritten signature in blue ink, appearing to read 'Godfried Smit'.

Godfried Smit  
Secretary General,  
European Shippers' Council