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EU agrees to scrap the EUR 150 limit for VAT on imported online sales from July 2028

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On 9 November 2026 EU Member States reached a general approach to remove the EUR 150 threshold from the VAT Import One-Stop Shop. Marketplaces will be responsible for VAT on all imported distance sales they facilitate, from 1 July 2028.

Country reference

- **Country:** Luxembourg (EU-wide measure, also Ireland and the Netherlands)
- **Authorities:** Council of the EU (ECOFIN), European Commission
- **Topic:** VAT on e-commerce imports
- **Key date:** 9 November 2026 (general approach); 1 July 2028 (planned start)
- **Law:** Proposed amendment to the VAT Directive (VAT in the digital age, e-commerce package)

What was agreed

EU finance ministers reached a general approach on a directive that removes the EUR 150 limit from the VAT Import One-Stop Shop (IOSS). Today the IOSS and the marketplace deemed supplier rule cover only consignments up to EUR 150. Under the new rules they will cover all distance sales of imported goods. Excise goods stay excluded.

The main changes

- **Marketplaces:** online platforms become liable for VAT on all imported sales they facilitate, not only those up to EUR 150.
- **Customs warehouses:** the IOSS will also cover goods sold from the new customs warehouses for distance sales under the reformed Union Customs Code.
- **Intermediaries:** the Commission will set common criteria for intermediaries acting for non-EU sellers.
- **Timing:** the rules apply only once the EU Customs Data Hub is running, with 1 July 2028 as the key date. The Commission will review the scheme by December 2030.

The Commission says the IOSS has collected more than EUR 21 billion in VAT since it started.

What comes next

The European Parliament will be consulted again. The Council can then formally adopt the directive. No date for adoption has been given.

What to do now

- Non-EU sellers of higher-value goods to EU consumers should plan for VAT at checkout through the IOSS.

- Marketplaces, many with EU hubs in Luxembourg and Ireland, should scope systems for VAT on all imported sales.
- Review pricing, returns and customs flows that rely on import VAT being paid at delivery.
- Gulf-based e-commerce groups selling into the EU should add 2028 to their VAT roadmap.

Our take

This closes the last gap in the EU e-commerce VAT reform. The date is still some way off, but system and contract changes for marketplaces take time, so 2027 budgets should include the work.

Sources

- European Commission: Commission welcomes Council agreement on removing the EUR 150 threshold for the VAT Import One-Stop Shop (9 November 2026)
- Council of the EU: Taxation - Council approves further VAT simplification rules for online sales (9 November 2026)

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