

Mr Paolo GENTILONI  
Commissioner for Economy  
European Commission  
Rue de la Loi / Wetstraat 200  
1049 Brussels  
Belgium

Brussels, 14 June 2021

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Dear Commissioner Gentiloni,

We are writing to you in a matter of urgency. We would like to **draw your attention to one critical aspect related to the implementation of the new VAT e-commerce package, namely the missing of transitional period for the clearance of goods purchased before 1 July but arriving into the EU after that date.** If no suitable ad hoc solution will be found immediately, serious operational deadlocks across the whole supply chain will occur in many EU countries after 1 July, causing significant negative impacts to trade, on delivery operators and customers.

PostEurop fully agrees with the rationale for introducing the new VAT e-commerce legislation and has continuously provided expertise of its members in meetings of relevant expert bodies within DG TAXUD. We are also aware that the project started already with the adoption of the legislative package in December 2017, nevertheless at this stage, no real, practical implications of the legislation were obvious, hence PostEurop could not react adequately. The individual practical aspects of the functioning of the new system have been presented at a late stage, thus giving the actors insufficient time for their preparation. Concretely, **the lack of transitional period was revealed only in September 2020 with the publication of the “Explanatory Notes”** (i.e. question and answer Nr. 2 on page 62), and PostEurop reacted immediately.

We repeatedly emphasized the **need for a transitional period** for handling goods bought before 1 July but arriving after 1 July. The current amounts of low-value shipments are already high (hundreds of thousands of shipments are handled daily) and might grow shortly before 1 July. Given the limited transportation capacity (also aggravated due to COVID-19), there might be significant delays, the goods might arrive into the EU even several weeks after 1 July and posts will face millions of non IOSS shipments (bought before 1 July) to be customs cleared. The shipments will be subject to repayment processes (e.g. cash on delivery) and very likely to be returned (customers refusing to pay the VAT and possible clearance fee upon the delivery), and customs and postal operator hotlines will be flooded with customer complaints.

To avoid the scenario of many EU customers dissatisfied and posts operationally paralysed in the weeks after 1 July, **a solution has to be found**.

We have discussed this issue with DG TAXUD representatives and, given the fact that changing the VAT directive at this stage is not possible anymore due to lack of time, the DG TAXUD has promised to PostEurop to consider to find other than legislative solution.

So far, we haven't received any update on possible steps taken or foreseen, therefore we use this opportunity to address you and ask you in your capacity as Commissioner for Economy for taking **immediate and concrete action**. We consider that addressing the national customs authorities with an official letter from the EC, asking for a "tolerance" approach for those goods, mentioned also by DG TAXUD representatives, would be the easy and fast solution. Hence, for the goods below 22 EUR bought before 1 July but arriving to the EU after that date, the "tolerance" approach can be applied in two ways, namely either those goods will be considered as tax exempt, or the IOSS number will be accepted also for them.

Given that the absence of a transitional period will cause serious bottlenecks mentioned above, we kindly ask you to consider as a matter of urgency a suitable solution. We are at your disposal for providing further information.

Yours sincerely,



Jean-Paul FORCEVILLE  
Chairman



Botond SZEBENY  
Secretary General

In copy to:

Mr Marco BUTI, Head of Cabinet of Commissioner Paolo Gentiloni  
Ms Maria Elena SCOPPIO, Member of Cabinet of Commissioner Paolo Gentiloni  
Mr Gerassimos THOMAS, Director-General, DG TAXUD  
Mr Dominik SCHNICHELS, Director for Customs, DG TAXUD  
Mr Benjamin ANGEL, Acting Director for indirect taxation and tax administration, DG TAXUD  
Mr Reinhard FISCHER, Chair of PostEurop Customs Working Group, Deutsche Post DHL  
Mr Carlo SAUVE, Chair of PostEurop VAT Working Group, Poste Italiane