VAT on Sales of Electronically Supplied, Broadcasting and Telecommunication Services (MOSS)

Sales from North American companies to individuals in the EU

A North American company that sells digital services, including most electronically supplied, broadcasting and telecommunication services to individuals within the European Union (EU) and some other countries is legally required to register for Value Added Tax (VAT), and charge VAT to the customers. Once the North American company is registered for VAT in one EU country, VAT must be charged according to the various EU countries’ VAT rates, for example 20% UK VAT to UK individuals, 19% German VAT to German individuals, 25% Swedish VAT to Swedish individuals, and so on.

Sample of VAT rates:
- Austria MwSt/USt 13% / 20%
- France TVA 20%
- Germany MwSt/USt 7% / 19%
- Luxembourg TVA 17%
- Netherlands BTW 9% / 21%
- Sweden Moms 12% / 25%
- United Kingdom VAT 20%

Samples of digital services where VAT registration is required if sold to individuals within the EU

Radio and Television Broadcasting Services
- Audio and audio-visual content for simultaneous listening or viewing
- Live streaming via the internet

Telecommunications Services
- Telephone services for transmission and switching of voice, data and video
- Telephone services provided through the internet

Electronically Supplied Services
- Games, music, films, and programmes on demand
- Software and software updates
- Online images or text; photos, screen-savers, e-books, magazines and pdf files
- Website supply, web-hosting
- Distance maintenance of programs and equipment
- Advertising space on a website
- Cloud

Sales from North American companies to companies in the EU

When a North American company is selling digital services to a company within the EU, VAT registration is generally not required, and no VAT generally has to be charged to the EU company if the company sold to has a VAT number or can be proven to be a business.