



Daňové riaditeľstvo
Slovenskej republiky

Distance selling of goods and VAT

In accordance with Act No. 222/2004 Coll. on value added tax as later amendments
(hereinafter the “VAT Act”)

What does the distance selling means?

For the purposes of VAT Act, distance selling shall be supply of **goods that have been dispatched or transported by the supplier or for his account** from a Member State other than the Member State wherein the dispatch or transport of goods ends, **and the customer shall be a person with no tax identification number assigned thereto**, except cases concerning new means of transport and goods supplied with installation or assembly by the supplier or for his account.

Where concerned is supply of goods subject to excise duty, the supply of such goods shall constitute distance selling only in the event that they have been supplied to natural persons for personal consumption.

Registration of the Supplier of Distance Selling

A taxable person not having the seat, place of business, fixed establishment, domicile or habitual residence within the country is referred in VAT Act as a **foreign person**. For the purposes of VAT Act the territory of the country shall mean the territory of the Slovak Republic.

Where a foreign person supplies goods within the territory of the country in the form of distance selling, and **the total value, excluding the tax**, of the goods so supplied **reaches EUR 35 000** in a calendar year, such a foreign person **shall be obliged to file a tax registration application** with the Bratislava I Tax Office, prior to supply of goods, whereby he reaches the value of EUR 35 000. A foreign person **may file** a tax registration application also in the event that the value of goods supplied into the territory of the country **does not reach** EUR 35 000 in a calendar year.

Where a foreign person supplies **goods subject to excise duty** via distance selling to a natural person for personal consumption into the territory of the country, he shall be obliged to file a tax registration application with the Bratislava I Tax Office **prior to supply of such goods**. The foreign person is in this case obliged to submit registration application regardless the value for registration.

The Bratislava I Tax Office is obliged to register the foreign person, to issue the Certificate on tax registration to it and immediately to assign an identification tax number

to the taxable person. The foreign person becomes a taxpayer on the day stated in the Certificate on tax registration.

Place of Supply of Goods in Respect of Distance Selling

The place of supply of goods in the case of distance selling

- where the goods are supplied from another Member State into the territory of the country, shall be **the territory of the country** except for cases where the value of goods supplied into the territory of the country, excluding the tax, does not reach EUR 35 000 in a calendar year. If through the supply of goods, the supplier does not reach the value of EUR 35 000 in a calendar year, **he may chose** the territory of the country as the place of supply of goods, which shall be the place of supply of goods for at least next two consecutive calendar years,
- where the goods are supplied from the territory of the country into another Member State, shall be **the Member State, in which the dispatch or transport of goods ends**, provided that the value of goods supplied in a calendar year reaches the level fixed by this Member State or provided that the supplier chooses this Member State as the place of supply of goods,
- which is subject to excise duty, shall be **the place where the goods are situated at the time when their dispatch or transport to the purchaser ends**.

The principle of taxation in country of origin is applied with distance selling. This means that the goods are taxed in Member State of supplier. This is valid **only to a certain value of the supplied goods excluding tax**. Therefore, it is important to know the values (limits) of distance selling in particular Member States. The limit is set within calendar year.

If the supplier **exceeds the value set for the distance selling by the Member State**, to which he supplies goods, he is obliged to apply for VAT identification number in this Member State and to charge the tax rate of this Member State. **In this case the principle of taxation in the country of destination is applied.**

If a domestic taxable person decides to run distance selling of goods to other European Union Member States, he is obligated to monitor the sales values (limits) in relevant Member States. If he doesn't exceed limit set by relevant Member State he will supply goods taxed by tax rate of his domestic country, unless he chooses this Member State as the place of goods supply. After exceeding the limit for distance selling of goods in the Member State to which goods are supplied, taxable person is obliged to register in this Member State, submit tax return and pay the valid tax in this Member State.

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