

Measuring Import of Digitally Enabled Services to Private Consumers

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With the increasing capacity of broadband connections, digitally delivered products have made its appearance in the international trade. Especially audiovisual products, such as Netflix, HBO, Spotify, etc. have won markets shares by selling directly to the consumers, i.e. B2C, but also the sale of software, apps to mobile devices and in-app purchases have moved from shelf to cloud. The international trade in services is often compiled based on reports from enterprises, which does not cover direct imports by private consumers. In 2015 the European Union changed the legislation on VAT for services provided electronically to non-taxable consumers in order to ensure that local VAT was applied. To facilitate this, they also introduced the Mini One Stop Shop (MOSS) VAT solution, where enterprises can register sales to non-taxable consumers in EU to one tax authority in one Member State. The data and VAT is then distributed to the relevant tax authorities within the EU.

Using the information reported to the MOSS system the value, the nature, and the geographical counterpart of electronically delivered services to private consumers can be estimated. This paper will assess the quality of the MOSS data, both with regard to coverage and accuracy. Another aspect will be to assess the insights that can be made with regard to what types of services that are sold directly to private consumers.