



Mini One Stop Shop

Frequently Asked Questions ("FAQ's")



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1. What is the Mini One Stop Shop (MOSS)?

The Mini One Stop Shop allows taxable persons in Portugal (when is the Member State of identification), to account for the VAT due on the supply of telecommunication services, television and radio broadcasting services and electronically supplied services to non-taxable persons in another Member State (Member State of consumption), in which the supplier is not established.

If a supplier chooses to use the MOSS, the obligations to register, submit VAT returns and pay the tax, directly in each of the Member States where it supplies such services, will cease to exist.

The MOSS is optional. If the option is exercised, it will apply to all supplies covered by this special scheme (i.e. Union scheme or the non-Union scheme).

2. Who can use the MOSS?

The MOSS may be used by suppliers who provide telecommunication, broadcasting and electronically supplied services to customers (non-taxable persons) in the European Union (EU), as long as these suppliers are not established and do not have a fixed establishment in the Member State of consumption.

3. Which supplies of services are covered by the MOSS?

The MOSS can only be used to account for the VAT due on supplies of telecommunication, broadcasting or electronically supplied services made to customers (non-taxable persons) in Member States where the supplier is not established nor has a fixed establishment.

4. When is Portugal the Member State of identification (MSI)?

Suppliers with their business established in the national territory will have Portugal as the Member State of identification. If a supplier is established outside the European Union but only has an EU fixed establishment in Portugal, he will also have this country as the MSI.

If a supplier is not established within the EU, but has several fixed establishments in various Member States, one of which in Portugal, he may choose this latter country as the MSI.

If the supplier is established outside the European Union and does not have a fixed establishment in Portugal (nor in any Member State), and is not registered nor is legally required to register for VAT purposes in any Member State, it may choose Portugal as the MSI.

5. To whom does the Union and the non-Union schemes apply?

The Union scheme applies to EU established suppliers of telecommunication, broadcasting and electronically supplied services to customers (non-taxable persons) in other Member States, in which the supplier is not established, nor has a fixed establishment.

The non-Union scheme applies to suppliers of telecommunication, broadcasting and electronically supplied services to customers (non-taxable persons) in other Member States, as long as they: *(i)* are not established in the European Union; *(ii)* do not have a fixed establishment in any Member State, *(iii)* are not registered nor required to register for VAT in any Member State.

These are cumulative requirements.

6. How to register for the Union scheme?

Registration for the MOSS (Union scheme) is done electronically on the "Portal das Finanças" site (www.portaldasfinancas.gov.pt), by selecting on the initial webpage the item "Mini One Stop Shop – MOSS" and then "Union Scheme".

In order to register, the taxable person must use its password and identification tax number.

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7. How to register for the non-Union scheme?

Registration for the MOSS (non-Union scheme) is done electronically on the "Portal das Finanças" site (www.portaldasfinancas.gov.pt), by selecting on the initial webpage the item "Mini One Stop Shop – MOSS" and then "Non-Union Scheme".

For registration purposes, the Portuguese tax administration will assign a password and an identification tax number to the taxable person.

8. What is the deadline for registering in the MOSS in order to apply this scheme from January 2015?

Taxable persons who intend to opt for the MOSS scheme from the 1st of January 2015, should complete their registration until the 31st December 2014.

Please note that any supplies made in 2014 will be excluded from this special scheme.

9. When will the registration take effect (Union scheme and non-Union scheme)?

There is no deadline for registering for the MOSS, as the scheme is optional. In case you opt in, the scheme will apply from the first day of the calendar quarter following registration.

However, if the first supply was made before registration and the latter is completed until the 10th day of the following month, the scheme will also cover that and other subsequent supplies.

Let us look at the following examples:

Example 1

The supplier registers on the 15th of March 2015. In this case, the scheme will take effect from the 1st of April 2015.

Example 2

The supplier registers on the 10th of March 2015, but informs that he has commenced its activities on the 25th of February 2015. In this case, the scheme will take effect from the 25th of February 2015, and the services supplied from that date shall be included in a separate MOSS VAT return for the calendar quarter during which the first supply took place.

10. How should the supplies be included in the Mini One Stop Shop VAT return when Portugal is the Member State of identification and the supplier has a fixed establishment in another Member State?

Please refer to the following example:

A supplier (i.e. a telecommunication company) has its head office in Portugal (hence, the Member State of identification), and has a fixed establishment in Spain (from which he supplies telecommunication services to consumers in other Member States).

From the head office, he supplies services to Portugal, Spain, France, Belgium and Germany.

From his fixed establishment in Spain, he supplies services to Portugal, Spain, United Kingdom and Sweden.

The Mini One Stop Shop VAT return, to be submitted by the head office, should include the supplies made to France, Belgium and Germany. The supplies made by his fixed establishment in Spain to consumers in the United Kingdom and Sweden should also be included in the MOSS VAT return submitted by the head office.

The supplies made by the head office (in Portugal) and by his fixed establishment (in Spain) to consumers in Portugal, must be included in the normal VAT return, to be submitted by the head office, in accordance with article 41 of the Portuguese VAT Act.

The supplies made by the head office (in Portugal) and by his fixed establishment (in Spain) to consumers in Spain should be included in the normal VAT return to be submitted by his fixed establishment in this latter country.

11. How is the Mini One Stop Shop VAT return submitted? What is the deadline for submission? Which specific details should be included?

The Mini One Stop Shop VAT return, exclusive for the purposes of the scheme, is electronically submitted on the "Portal das Finanças" site (www.portaldasfinancas.gov.pt), by selecting on the initial webpage the item

"Mini One Stop Shop" and then "Union Scheme" (or *Regime da União*) or "Non-Union Scheme" (or *Regime Extra-União*) as applicable.

The return must be submitted within 20 following the end of the calendar quarter covered by the return.

The Mini One Stop Shop return must contain, among others, the following details:

- VAT identification number; And for each Member State:
- The taxable amount of the supplies, covered by the MOSS, carried out during the tax period;
- The applicable VAT rates;
- VAT due, per rate;
- Total VAT due.

Supplies made by fixed establishments located in other Member States should include the information above in the Mini One Stop Shop VAT return separately.

12. Is there an obligation to submit the Mini One Stop Shop VAT return in tax periods where there have been no supplies under this special scheme?

The Mini One Stop Shop return must be submitted even if no supplies were made in any Member State(s) in a given quarter (i.e. "*nil return*").

13. Which currency should be used?

The amounts indicated in the Mini One Stop Shop VAT return submitted in Portugal should be in euro (€). Supplies made in other currencies must be

converted into euro, in accordance with the exchange rate provided by the European Central Bank on the last day of the taxperiod.

14. How is VAT paid? What is the time limit?

The payment of the VAT due for supplies covered by the MOSS is made to Portugal (i.e. as the Member State of identification), when submitting the Mini One Stop Shop VAT return or until the end of the submission deadline, and must include a reference to this return.

Payment shall be made to a bank account denominated in euro, designated by IGCP, E.P.E, indicating the reference number of that specific return.

15. How can the Mini One Stop Shop VAT return be corrected?

Adjustments to the Mini One Stop Shop VAT return can only be made by submitting a corrected return. This can only be done within three years from the deadline for submitting the original Mini One Stop Shop VAT return (even if in the meanwhile the supplier has deregistered from the special scheme).

16. Are the Portuguese undertakings, registered for MOSS in Portugal, allowed to use the MOSS return to deduct the input VAT paid in the acquisition, in this country, of goods and services used for the taxable activities covered by this special scheme?

No. The MOSS scheme only allows taxable persons to pay output tax on their cross-border B2C supplies. The Portuguese undertakings, registered for the MOSS in Portugal, may only deduct the input VAT paid in the acquisition of goods and services used for the taxable activities covered by this special

scheme in the normal VAT return, submitted according to the Portuguese VAT Act.

17. Are the Portuguese undertakings, registered for MOSS in Portugal (as the Member State of identification) allowed to use the MOSS return to reclaim the input VAT paid in the Member State(s) of consumption, in goods and services used for those activities?

No. The MOSS scheme only allows taxable persons to pay output tax on their cross-border B2C supplies. Portuguese undertakings, registered for the MOSS in Portugal, must claim a reimbursement of the VAT paid in the Member State(s) of consumption, in accordance with the VAT refund scheme for taxable persons established in another Member State, enacted by Decree-law n^o. 186/2009 of the 12th of August. However, if a taxable person has a VAT registration number in the MSC, he must reclaim the input tax on that return.

18. Are the undertakings established in third countries and registered for the non-Union scheme in Portugal entitled to use the MOSS return to recover the input VAT paid in goods and services used for the taxable activities covered by this special scheme?

No. The MOSS scheme only allows taxable persons to pay output tax on their cross-border B2C supplies. These undertakings must claim a reimbursement of the VAT paid in Portugal, in accordance with articles 18 to 20 of the VAT refund scheme for non-established taxable persons, enacted by Decree-law n^o. 186/2009 of the 12th of August.

19. What is the procedure for overpayments?

If the amount paid exceeded the amount due, as a result of an error in tax assessment or payment, or as a result of the submission of a corrected return, the amount paid in excess is refunded by the Member State of identification (i.e. Portugal) if it has not yet been transferred to the Member State(s) of consumption.

If the transfer has already been made, it is up to the Member State of consumption to refund the amount overpaid, in accordance with its internal procedures.

20. Which reporting obligations need to be fulfilled?

Suppliers covered by the MOSS scheme shall, no later than the tenth day of the next month, inform the Member State of identification of, among others, the following facts:

- The cessation of his activities covered by the special scheme;
- Any changes causing the taxable person to no longer meet the conditions necessary for using the scheme; and
- Any changes to the information previously provided to the Member State of identification.

These reporting obligations must be fulfilled electronically on the “*Portal das Finanças*” site (www.portaldasfinancas.gov.pt), by selecting, on the initial webpage, the item “*Mini One Stop Shop*”, and subsequently selecting “*Union Scheme*” (or Regime da União) or “*Non-Union Scheme*” (or Regime Extra-União) as applicable.

21. Which accounting obligations need to be fulfilled?

The suppliers covered by the MOSS need to keep sufficiently detailed records in order to assess if the amounts declared are accurate.

These records must be kept separately for each of the Member States of consumption where supplies have been made, and shall contain the following information:

- The Member State of consumption;
- The type of service supplied;
- The date of supply;
- The taxable amount (indicating the currency used);
- Any subsequent increase or reduction in the taxable amount;
- The VAT rate applied;
- The amount of VAT payable (indicating the currency used);
- The date and amount of payments received;
- Any payments on account received before the supply of the service (date and value);
- Where an invoice is issued, the information contained therein;
- The name of the customer, if known by the taxable person;
- The information used to determine the place where the customer is established, has his permanent address or usually resides.

These records must be kept for a period of 10 years (from 31 December of the year during which the transaction was carried out), and be made available electronically, upon request, to the Portuguese tax authority or to the tax authorities of the Member State(s) of consumption, for each single supply made.

22. Is it possible for the supplier to voluntarily deregister from the MOSS?

A supplier may deregister from the MOSS regardless of whether he continues to supply services which are eligible for this special scheme. To do so, the supplier is required to inform the Member State of identification at least 15 days before the end of the calendar quarter prior to that in which he intends to cease using the scheme. Cessation shall be effective as of the first day of the next calendar quarter.

For example, if a supplier wishes to cease using the MOSS from the 1st of April, he should inform the Member State of identification up until the 16th of March.

In that case, the supplier is excluded from using the scheme for two calendar quarters.

23. In what cases can a supplier be excluded from the MOSS?

The Portuguese tax authority can exclude a supplier from the scheme in the following cases:

- If the supplier has made no supplies covered by the special scheme for eight consecutive calendar quarters;
- If it no longer meets the conditions necessary for using the MOSS;
- If it persistently fails to comply with the rules relating to the scheme.

24. What is the meaning of “persistently fails to comply”?

Persistent failure occurs at least in the following cases:

- The supplier has been notified to submit the VAT MOSS return for three immediate calendar quarters and the return has not been submitted for each and every one of these periods within 10 days after the reminder had been sent;
- The supplier has been notified to pay the VAT due relative to three previous calendar quarters and failed to settle the full amount within ten days (unless the outstanding amount for each return is less than €100);
- where following a request from the Member State of identification or the Member State of consumption and one month after a subsequent reminder by the Member State of identification, he has failed to make electronically available the records referred to in Articles 369 and 369k of Directive 2006/112/EC.
- Where following a request from the MSI or the MSC, the supplier still failed to make its records electronically available within one month after a notification to do so.

Apart from these cases, it is up to the Member State of identification to determine, in any given situation, whether there is persistent failure.

If the supplier persistently fails to comply with the rules relating to the scheme, he will be excluded from the MOSS for eight consecutive calendar quarters following the one in which he was excluded.

25. From which date will the exclusion become effective?

The exclusion will be electronically notified to the supplier, and will take effect as from the first day of the calendar quarter following the notification.

26. What procedure should be followed if a supplier decides to change his place of business/fixed establishment?

If a supplier transfers its headoffice or fixed establishment to another Member State, the change will become effective on the same date.

Nevertheless, in order to continue using the MOSS in the new Member State of establishment, he should inform both countries (i.e. the previous Member State of identification and the new Member State of identification) of the change, up until the 10th day of the following month.