



EU Member States' tax measures to support the economy in light of COVID-19

SURVEY RESULTS REPORT

3 April 2020

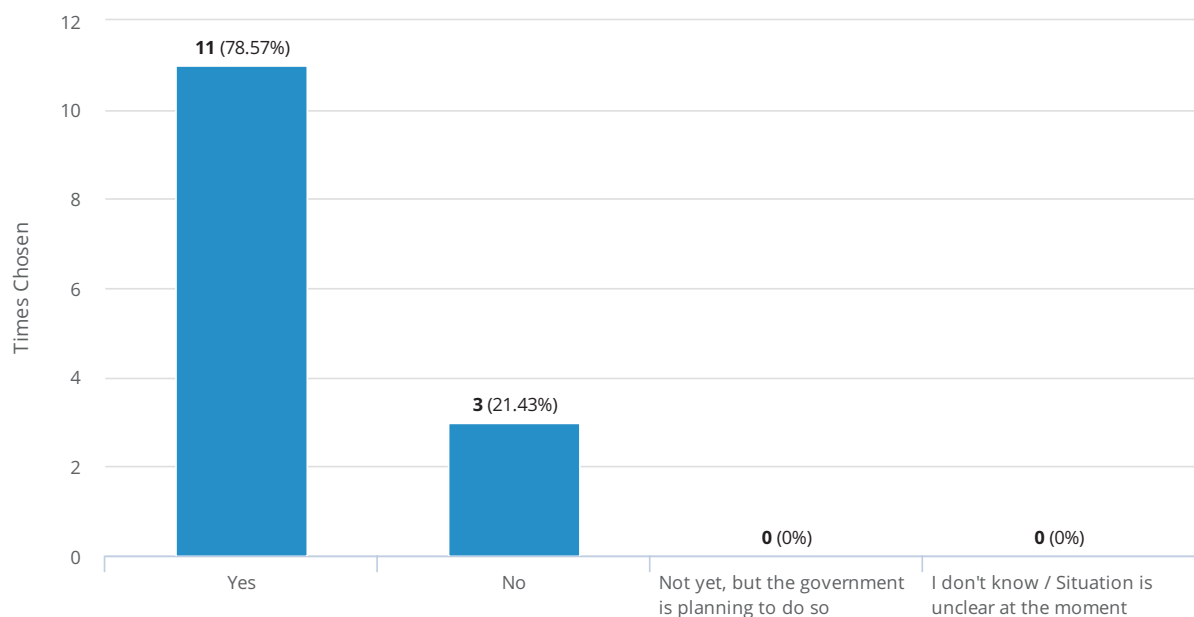
Ecommerce Europe's Third Survey on the Coronavirus

Ecommerce Europe conducted its third survey on the effects of the Coronavirus on e-commerce between 31 March and 2 April. In the first place, governments are focusing on the health and well-being of citizens. However, the current and expected economic impact of the outbreak are not underestimated by authorities. In many countries, significant measures are being taken to help businesses survive this period and curb the economic damage. In order to gain a further insight into these different measures, the Ecommerce Europe survey this week focused on one specific aspect of them, namely taxation.

Fiscal measures to support businesses

Governments have opted for different fiscal measures. As the pandemic and the subsequent lockdown rules may cause a significant decline in income and cash flow for businesses, authorities intend to ensure that businesses are, through these measures, provided with sufficient liquidity in these times. **When being asked if any measures in the field of taxation were taken in their country, 79% of the respondents (national e-commerce associations) indicated that this was indeed the case.** For instance, in Italy, the "Cura Italia" Decree (Decree Law no. 18/2020) suspends tax obligations, with the exclusion of payments, withholding taxes and taxes related to the regional and municipal surcharge. The measures apply in the period between 8 March and 31 May 2020 and include the submission of the annual VAT return. The suspended obligations are to be carried out by 30 June 2020, without applying sanctions. In **Sweden**, there is a reduction of employer contributions between 1 March and 30 June 2020 and the state temporarily takes the full cost of all sick pay in April and May. The temporary rules allow companies to dedicate all their profits for the year 2019 (maximum SEK 1 million, approx. €91.000), to the accrual fund instead of the current 30%. For many traders, the taxable profit can thus be reduced to zero.

Did your country take any measures in the field of taxation (e.g. on VAT, Income, Corporate, Wage, Turnover taxes) to counteract the effects of the Coronavirus situation?

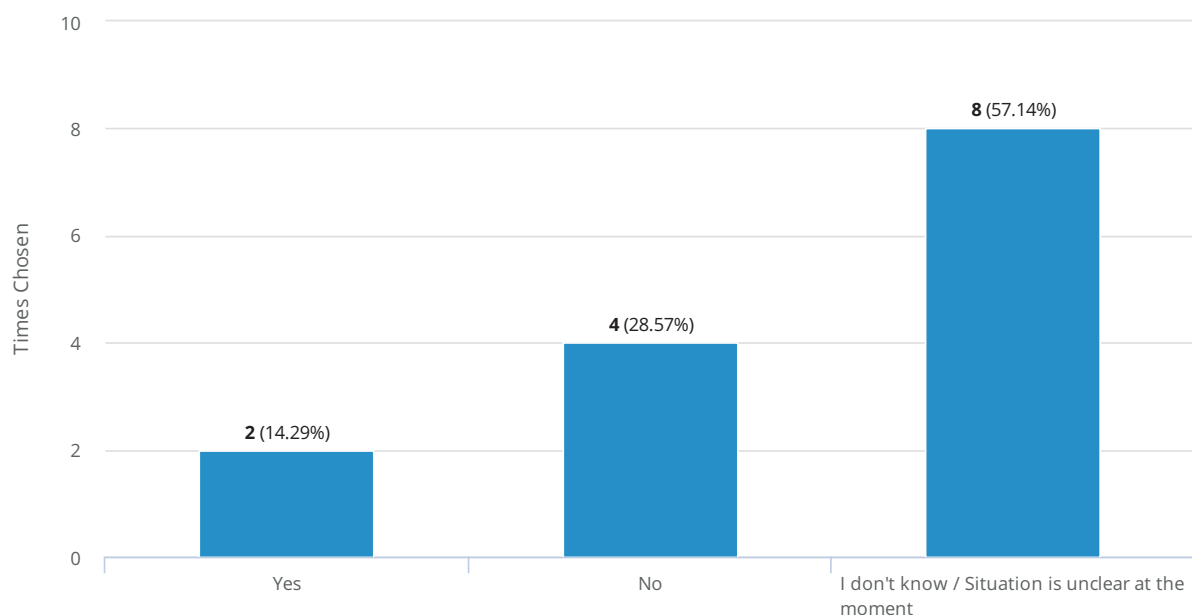


In many other countries, such as **France, the Netherlands, Norway, Denmark, Czech Republic and Germany**, governments have introduced interest-free deferrals (or even exemptions) of payments on for instance VAT, company taxes and taxes for the self-employed. In **Belgium**, companies can make a payment plan and there is an exemption from default interest and a remission of fines for non-payment. In **Finland**, businesses can also request payment arrangements with eased terms from 25 March to 31 August, applying to all tax types. In addition, the rate of late-payment interest on taxes included in a payment arrangement is lowered to 4%.

Barriers for cross-border donations of essential products

Following the outbreak of the Coronavirus, many countries experienced a sudden increase of demand of essential medical items such as face masks, breathing machines, disinfectants etc. While in some countries there may have been ample stock of such items, in other countries significant shortages arose. In such instances, a donation of goods from one country to the other may be a solution. As online merchants are, under normal circumstances, sometimes experiencing issues with donations (e.g. costs caused by VAT due on donations), Ecommerce Europe asked its national associations if any Single Market barriers are imposed in the different countries for cross-border donations. The answer showed that 57% of the national associations is either unaware of such barriers or the situation in the country is unclear. 14% of the respondents indicated that barriers are in place, for instance, **Germany** indicated that there were issues for cross-border donations of hand sanitizer and disinfectants due to export restrictions for these goods. 28% of the respondents stated that no barriers exist in their country.

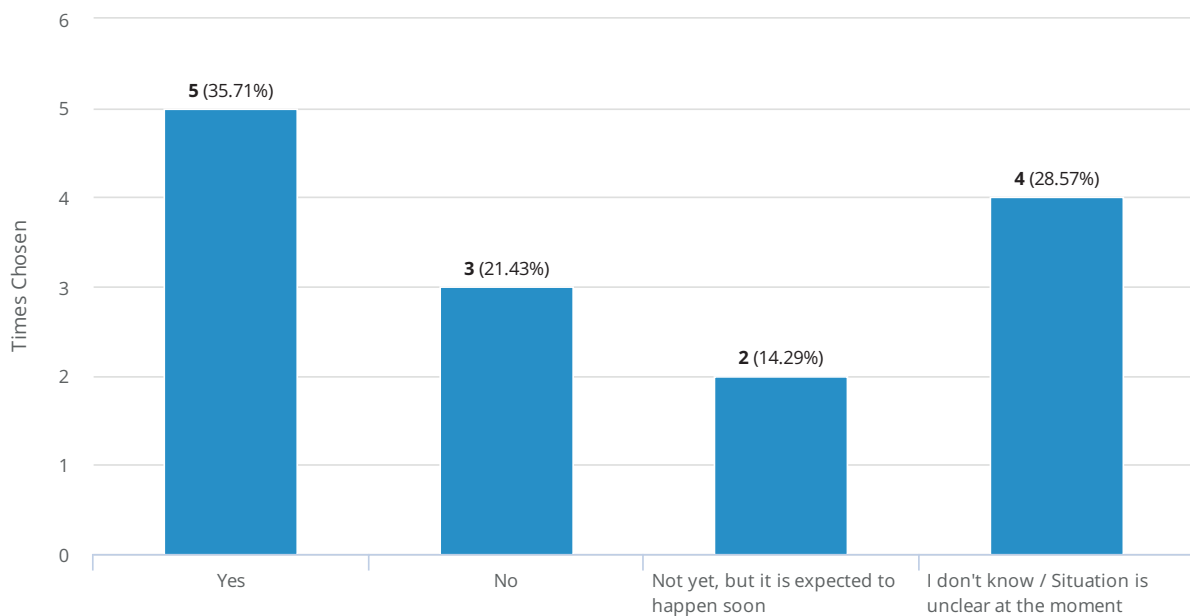
Are there, in the context of the Coronavirus outbreak, any Single Market barriers (also not tax-related) imposed by your country for cross-border donations of certain product categories e.g. hand sanitizers, disinfectants, etc.?



Impact of COVID-19 on stock

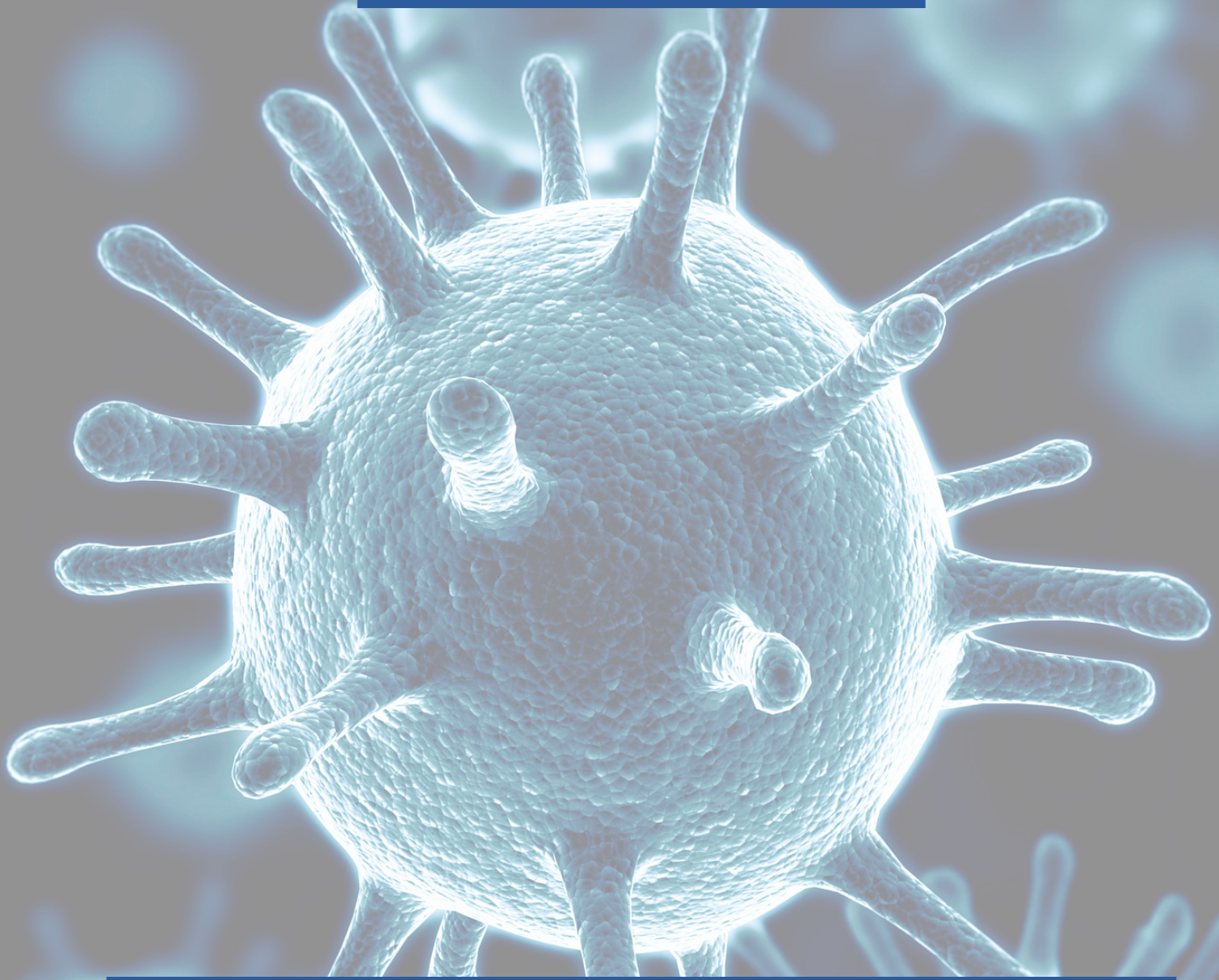
Finally, the survey inquired about the effects of the Coronavirus outbreak on inventory surpluses. 50% of the respondents indicated that e-retailers are currently dealing with or are soon expecting inventory surpluses. In most countries, the sectors dealing with such surpluses are the fashion industry, cosmetics, luxury goods and travel related products. Specifically, the Italian e-commerce association Consorzio Netcomm, mentioned that a critical situation could arise for some types of seasonal agricultural products, whose harvest takes place in this period. They indicate that this largely has to do with issues concerning staff capacity.

Do your members (e-retailers) experience issues with inventory surpluses due to the Coronavirus outbreak?



For more information, please contact Ecommerce Europe at info@ecommerce-europe.eu.

A total of 14 National E-commerce Association members of Ecommerce Europe replied to this survey, covering 13 countries.



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