



VAT SOLUTIONS
LUXEMBOURG

Masterclass

Grow your e-commerce business in the UK
Key VAT aspects

29th September 2026



Mandatory first checks – goods dispatched from Luxembourg

1. What is the country of destination ?
2. What is the intrinsic value of the consignment ?
3. B2B or B2C sale ?
4. Own website or online marketplace ?

The intrinsic value is broadly the selling price excluding separately identified transport/insurance and identifiable taxes and charges. Items in the same consignment are aggregated.

Start with
the UK VAT
territory !

Special UK VAT
rules apply to
low value
consignments
≤ £135

B2B or B2C sale ?
Different rules
can apply where
the client is a UK
VAT registered
business

Different rules
can apply to
sales
facilitated by
an online
marketplace



UK VAT territory for sales from Luxembourg

United Kingdom

Great Britain (GB)

England, Scotland and Wales.

For goods imported from LU :

- Customs declarations required
- Consider UK import VAT
- Consider UK VAT treatment of the subsequent sale

LU : VAT exempt export sale
in Luxembourg
LU & GB : Customs declarations
GB : Applicable VAT rules ?



Northern Ireland (NI)

Special regime for goods only :

For VAT on goods, NI remains aligned with relevant EU VAT rules under the Windsor agreement

Intracommunity VAT rules still apply

GB and NI
must not be
treated in the
same way

GB

Direct sales – mandatory VAT rules / B2C

**GB - B2C customer | consignment ≤ £135
(excluding excise goods)**

Special UK VAT rules apply

The overseas seller :

- charges UK VAT at the point of sale
- accounts for the VAT to HMRC
- must register for UK VAT
- Must retain appropriate sales and customs records
- Import VAT is not due
- Customs formalities still apply – check GB EORI/declaration requirements

GB - B2C customer | consignment > £135

Normal import VAT and customs rules apply

Who is the importer ?

UK customer imports

- GB customer is importer
- customer pays import VAT and customs duties if any
- no UK VAT applies on the sale by Luxembourg seller

LU seller imports

- Luxembourg seller acts as importer
- pays import VAT (potentially recoverable*) & customs duties if any
- UK VAT applies on the sale by Luxembourg seller

In all cases : retain evidence of export from Luxembourg !

* Subject to the normal input tax recovery conditions.
Consider Postponed VAT Accounting (PVA)



GB

Direct sales – mandatory VAT rules / B2B

GB - B2B customer | consignment ≤ £135

Special UK VAT rules apply

If the customer provides a valid UK VAT registration number, the overseas seller :

- does not charge UK VAT
- obtains and verifies the customer's UK VAT number
- includes the customer's VAT number and appropriate reverse-charge wording on the invoice
- UK customer accounts for VAT to HMRC under the reverse charge
- Import VAT is not due

GB - B2C customer | consignment > £135

**Same import VAT and customs rules apply than
for B2C
(see slide 4)**

In all cases : retain evidence of export from Luxembourg !



GB

Marketplace sales $\leq$ £135

**GB - B2C customer | consignment $\leq$ £135
(excluding excise goods)**

The overseas seller :

- does not account for UK VAT on the sale to the consumer



The online marketplace :

- treated as the deemed supplier for VAT
- charges UK VAT to the customer
- accounts for UK VAT to HMRC
- Import VAT is not due

GB - B2B customer | consignment $\leq$ £135

If the customer provides a valid UK VAT number to the marketplace.



The online marketplace :

- verifies the UK VAT number
- does not charge UK VAT
- issues the invoice with reverse-charge wording



The UK customer

- Accounts for UK VAT under the reverse charge
- Import VAT is not due

In all cases : retain evidence of export from Luxembourg !



GB

Marketplace sales > £135

GB - B2C customer | consignment > £135

**Same import VAT and customs rules apply than
for Direct sales / B2B and B2C
(see slides 4 & 5)**

Retain evidence of export from Luxembourg !



GB

Looking ahead – low-value import reform

The rules explained in this presentation are the rules applying now

UK government's July 2026 announcement :

[The UK launched a consultation](#) to reform the customs treatment of goods valued at £135 or less

The proposed legislation removes the £135 low-value import customs duty relief and enables a new customs regime, including provision for fiscal representatives and new compliance arrangements

It is anticipated changes will be effective from March 2029

→ Overseas seller should monitor its implementation





Thank you for your attention

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