

Special scheme for small businesses – FAQ

1. An Estonian VAT payer uses the OSS special scheme to sell goods to other Member States. Total supply for the calendar year in EU countries is 70,000 euros. Is it possible to use the special scheme for small businesses?

Yes, if a company's total supply in the European Union does not exceed 100,000 euros, it may (but does not have to) use the special scheme for small businesses in those countries where the threshold for VAT registration is not exceeded. In other countries, the OSS special scheme may continue to be used.

2. Does a small business have to cease activities in a country where it exceeds the threshold?

No, if you exceed the threshold, depending on your area of activity, you must either register for VAT in the country of activity or use the OSS special scheme henceforth. In this case, the use of the special scheme is suspended at least until the end of the year following the year in which the supply threshold is reached.

3. An Estonian VAT payer only generates taxable supply in Estonia. Since it meets the conditions, it wants to use the special scheme for small businesses when starting its business in another Member State. The company has general costs that are used for supply in both Estonia and the other Member State. Is there a right to deduct input VAT from these general costs?

In such a situation, the input VAT proportion must be calculated from the general expenses. Input VAT may not be deducted from expenses incurred for operating in another Member State under the special scheme.

4. What should I do if, as a buyer, I receive an invoice without VAT from a company using a registry code with the EX-suffix?

Upon receipt of such an invoice, there is no obligation to register as a taxable person with limited liability or to reverse charge the purchase invoice.

5. Where can I find the thresholds for other Member States?

For information on thresholds and other tax-related information, please visit the European Commission's page [“Taxes in Europe Database v4. Advanced Search”](#). To find the threshold, select “Value Added Tax” as the tax, the country of interest, and, after searching, click on the “VAT” link and select “Taxable Persons” on the left.