

Customs & E-Commerce Enforcement on Low-Value Goods

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Import One Stop Shop (IOSS)

E-Commerce is reshaping trade flows

- Rapid growth of low-value consignments
- Increasing share of cross-border B2C transactions
- Shift from containerised trade (B2B) → parcel-based trade (B2C)

Impact:

- High volume, low value = high fraud scalability
- Traditional controls not adapted



Import One Stop Shop (IOSS)

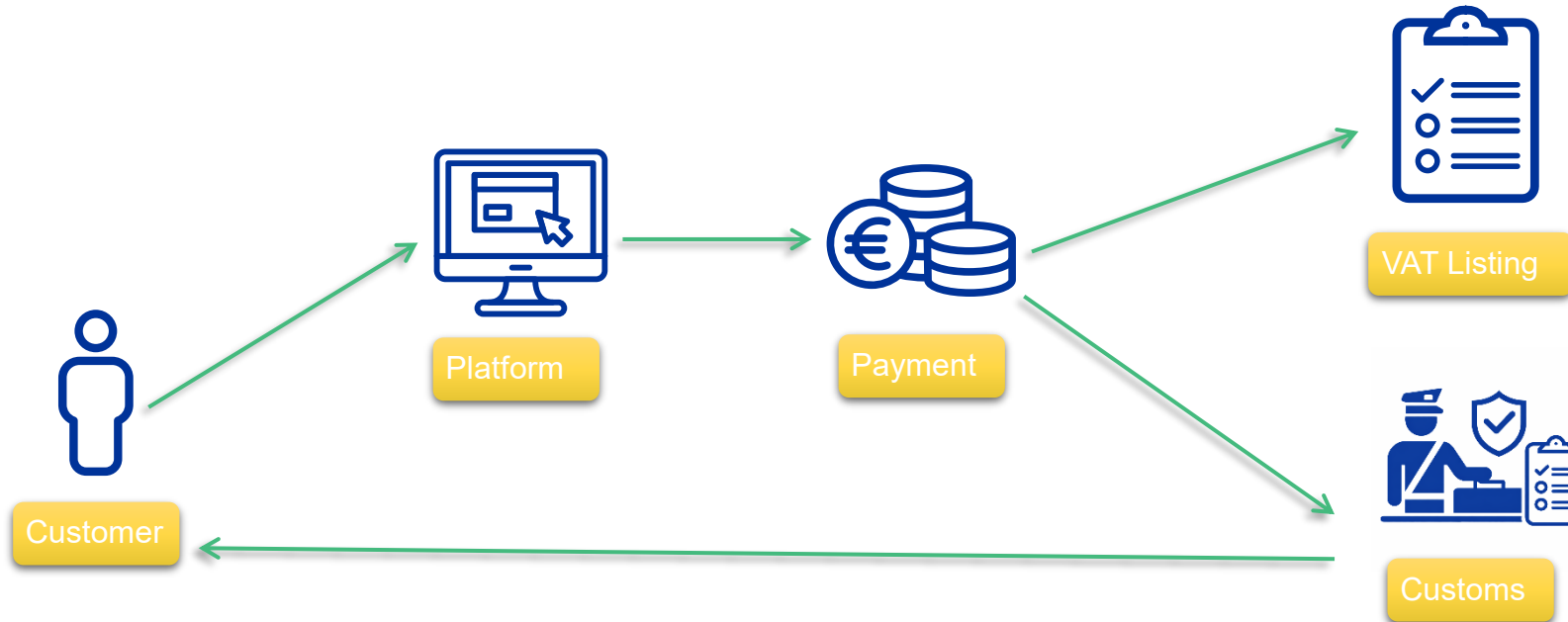
IOSS simplifies VAT collection for e-commerce imports

VAT is collected at transaction

Declared through IOSS system to EU authorities



How the system works



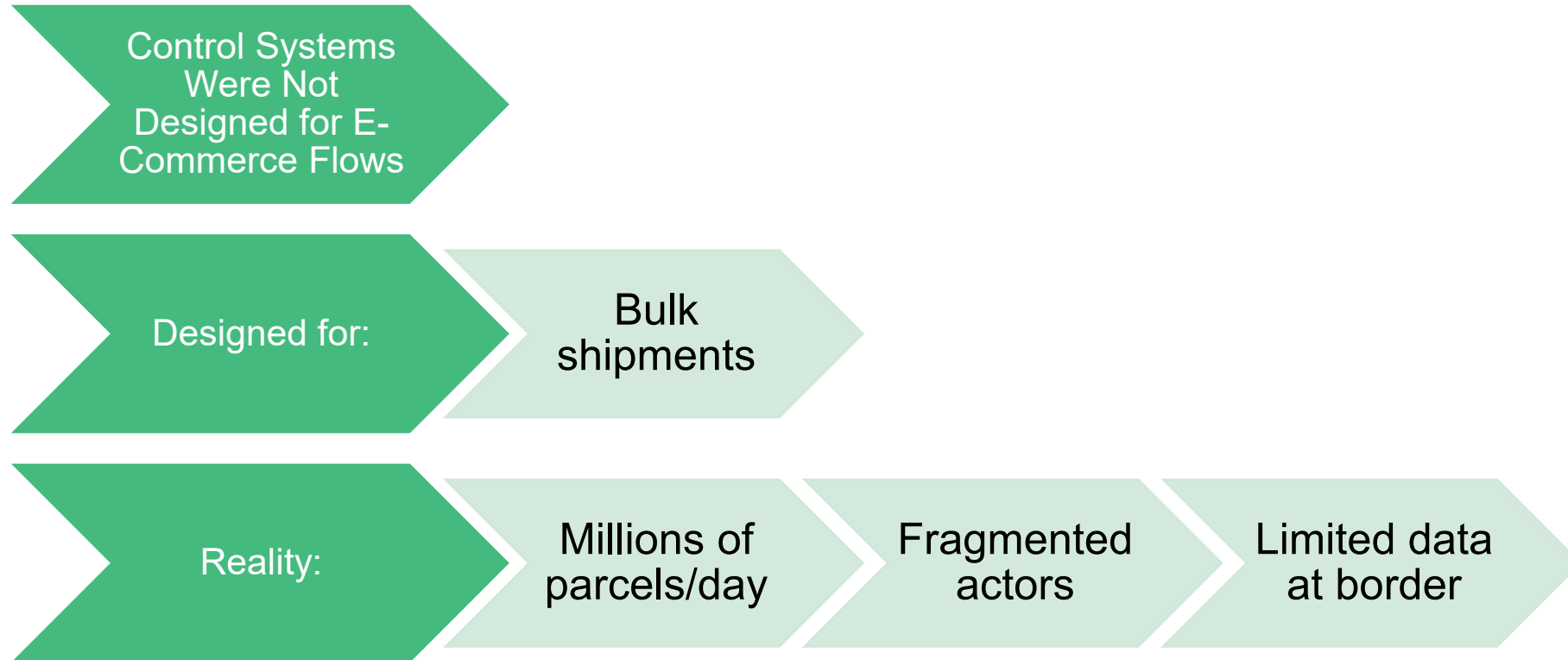
Actors:

- Platform
- Seller
- Payment provider
- Logistics operator
- Customs

Process:

- Customer orders online
- VAT calculated at checkout
- Goods shipped individually
- Customs clearance based on declared data

Structural challenge



Key Vulnerabilities

- **Data gaps**

- Customs lacks payment/order data
- Can only verify IOSS number validity

- **Traceability gaps**

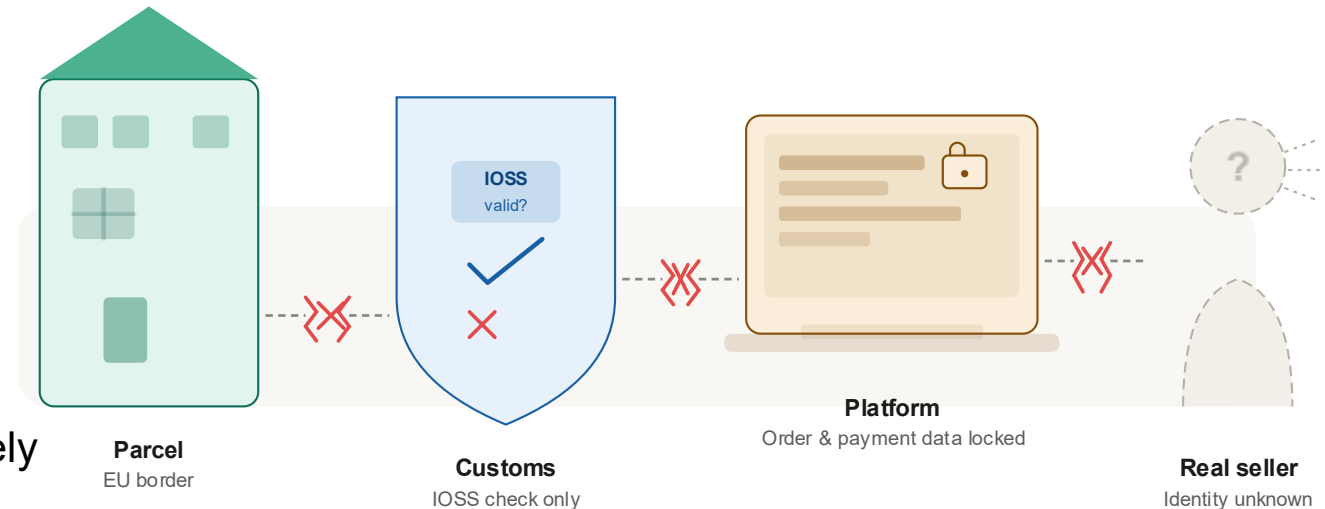
- Difficult to link parcel → transaction → seller

- **Actor fragmentation**

- Platforms, brokers, carriers operate separately

- **Limited verification capacity**

- High volume prevents systematic checks



Fraud Patterns Observed



Undervaluation

Declared customs value is set below the actual transaction price paid by the consumer, reducing the VAT and duty liability at import.



IOSS misuse

Unauthorized use of a legitimate IOSS identification number belonging to another entity, exploiting the fact that customs can only verify validity — not ownership.



Non-compliant platforms

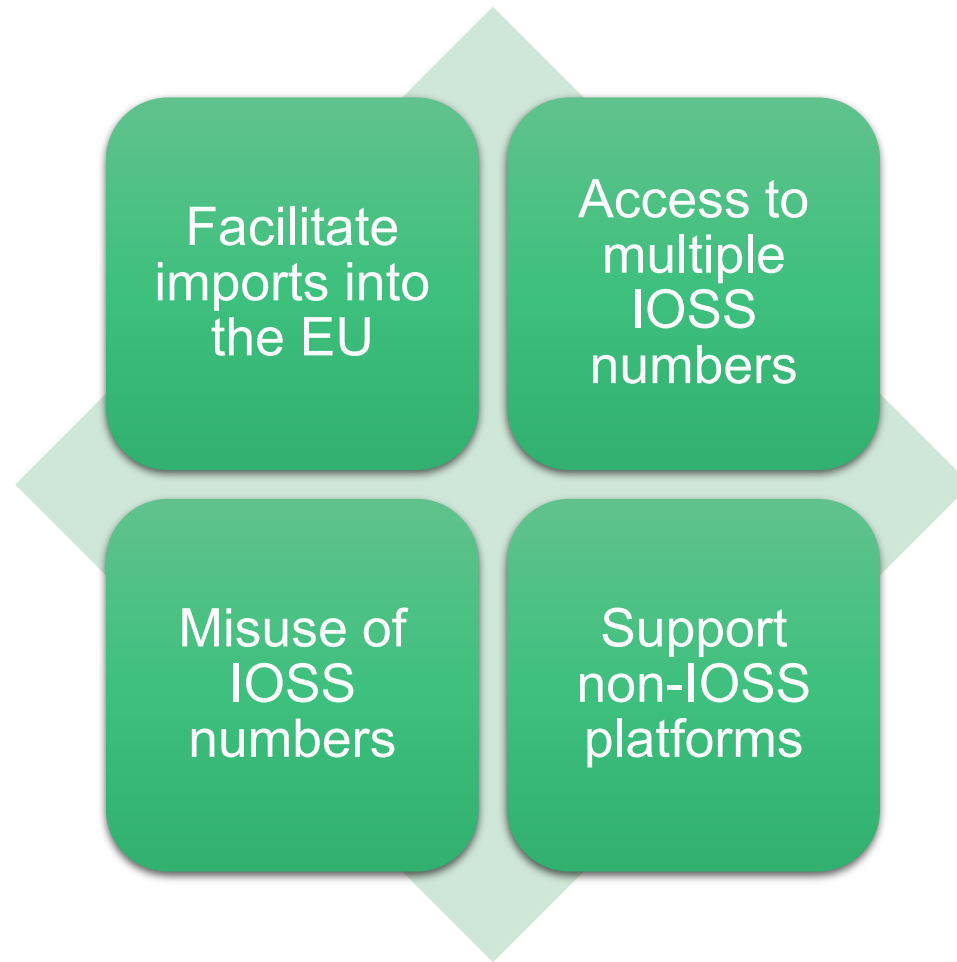
Sales conducted through platforms operating entirely outside regulated IOSS frameworks, bypassing VAT collection obligations at the point of sale.



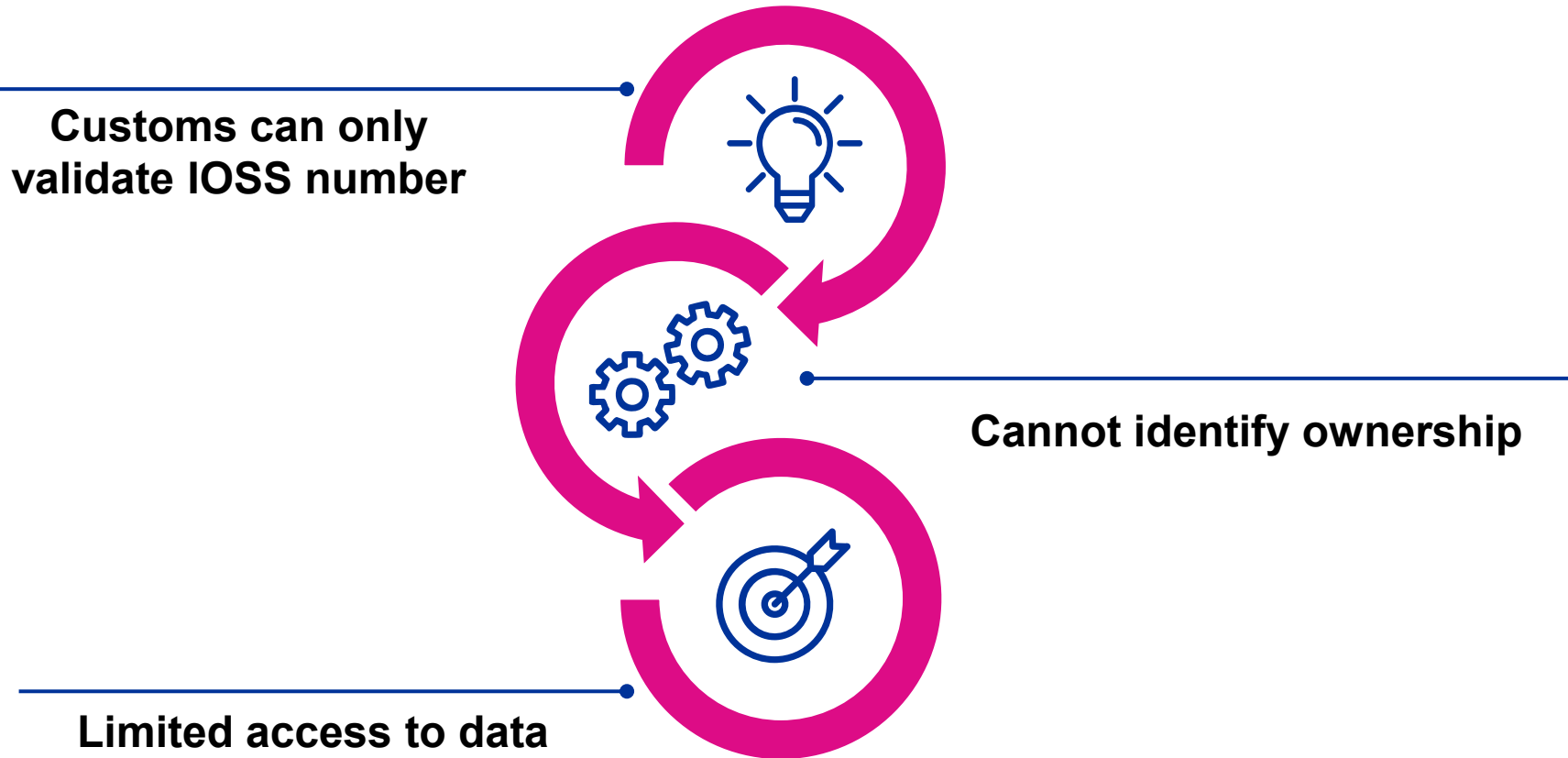
Missing traders

Short-lived entities deliberately set up to import goods without declaring VAT, then dissolved before detection — exploiting the lag between import and VAT cross-check.

Role of Logistic Centres



Challenges



OLAF Findings



Undervaluation



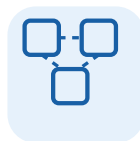
**Misuse of VAT
identifiers**



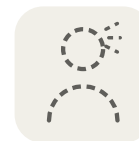
**Non-IOSS
platforms**



Logistics hubs



Fragmented reporting



**Identifying real
seller**

Customs Brokers



Limited information received

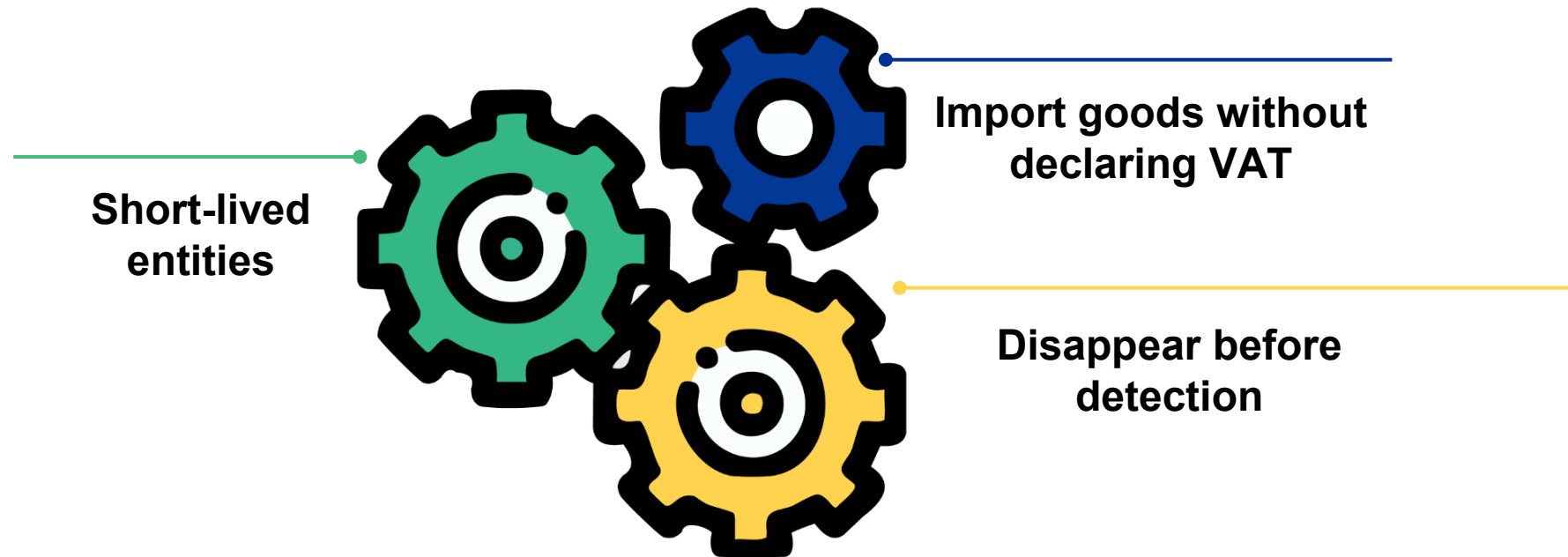


No payment or order data



No verification of IOSS numbers

Missing Traders



Cooperation Priorities



Data sharing

Customs ↔ tax authority

Establish formal data exchange so payment and order data flows to customs at the point of import.



Risk analysis

Joint identification of high-risk flows

Move from reactive to proactive — flag suspicious shipments before they arrive at the border.



Traceability

Parcel → transaction → seller

Build a connected data trail linking physical parcels to their underlying sale and the real seller identity.



Platform engagement

Access reliable transaction data

Direct cooperation with platforms to obtain order, payment and seller data for enforcement purposes.



Conclusion

Systemic weaknesses in IOSS control

High fraud exposure

Need for stronger cooperation, data access and controls



Thank you

