



**World Customs
Organization**

OECD GLOBAL FORUM ON VAT

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Securing VAT/GST revenues from
low-value e-commerce imports
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E-Commerce Reality



— *Millions of Low-Value Parcels, Fragmented Flows, Pre-Border Transactions* —

Low-value e-commerce **challenges border-based revenue collection**, not because of value because of

- **Volume – fragmentation - data asymmetry**

WCO and Cross-Border E-Commerce



8 Principles of the E-Commerce FoS



Advance
Electronic Data
and Risk
Management



Facilitation and
Simplification



Fair and Efficient
Revenue Collection



Safety and
Security



Partnerships



Public Awareness
& Capacity Building



Measurement
and Analysis



Where Tax Is Collected Matters

Revenue collection models under the WCO E-Commerce Framework Standard 8 and Annex V



Vendor /seller-based collection

- Tax is collected by the seller at the point of sale, supported by advance electronic data and clear legal responsibility.



Intermediary / platform-based collection

- Tax is collected by digital platforms or intermediaries acting on behalf of sellers, leveraging centralized transaction data.



Buyer-based (border) collection

- Tax is assessed and collected at importation, relying on Customs declarations and border processes.



Hybrid approaches

- Combinations of upstream and border models, adapted to national legal frameworks and business models.



Data at the point of sale

- Upstream collection relies on transaction-level data generated at the moment of sale, before the goods enter the Customs territory.



Clear accountability upstream

- Upstream models assign clear legal and operational responsibility to sellers or platforms for tax collection and data accuracy.



Risk assessment before arrival

- Early availability of reliable data enables Customs risk management and targeted interventions before goods arrive at the border.



Complementing border controls

- Upstream collection supports facilitation and compliance, while Customs controls, verification and enforcement remain essential.



Customs valuation and classification

- Customs remain responsible for verifying valuation, tariff classification and admissibility in accordance with international standards.



Safety, security and IPR enforcement

- Controls related to safety, security, prohibited goods and intellectual property rights remain unchanged.



Risk management and targeting

- Customs continue to apply risk management, profiling and targeted interventions throughout the supply chain.



Post-clearance audit and enforcement

- Post-clearance controls, audits and enforcement actions remain critical to ensure compliance and deter abuse.



Transaction-level data at the point of sale

- Relevant data is generated at the moment of transaction, before goods enter the Customs territory.



Alignment with the WCO Data Model

- Standardised data structures enable interoperability, reuse and consistent implementation across Members.



Data quality and governance

- Data accuracy, completeness and accountability are core implementation challenges for upstream models.



Foundation for facilitation and compliance

- High-quality advance data supports trade facilitation while strengthening Customs compliance and controls.



Exploring clearer upstream data roles across the supply chain

- The ongoing FoS update points to opportunities to further clarify how different actors could contribute to the provision of accurate transaction-level data with evolving e-commerce business models.



Identifying pathways to strengthen data quality through cooperation and governance

- Improve the timeliness, completeness and accuracy of data, notably through clearer roles, reuse of existing standards and enhanced cooperation with stakeholders



Considering vendor collection within a broader risk-based Customs context

- Standard 8 suggests that vendor-based collection may be positioned as part of a more integrated, risk-based approach, combining advance data, audit-based controls and post-clearance assurance.



Recognising opportunities to align facilitation and compliance objectives

- High-quality advance data can offer opportunities to support both simplified procedures and effective compliance, contributing to more balanced and sustainable VAT/GST collection models.



Compliance Focus

- Vendor collection is a **Customs compliance regime**, not a replacement for controls



Data-Driven Impact

- Its effectiveness depends on reliable data and clear accountability



Harmonised Standards

- The **WCO standards** already provide a **harmonised** global foundation



Customs-Tax Alignment

- Continued alignment between Customs and Tax perspectives is essential

Clear upstream data and cooperation are key to **scalable and sustainable solutions**.