

THE PROTECTION CROSS-BORDER CONSUMERS IN THE EUROPEAN UNION



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by

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Cover picture by Federico Missio

INTRODUCTION

In the hoped-for end of mobility restrictions introduced through public health measures in order to combat the spread of coronavirus (Covid-19) infections, an increase in cross-border mobility in our region is expected. Friuli Venezia Giulia, a border region and an important gateway to Europe, is committed to guaranteeing and improving the protection of consumers' rights in the purchase of goods and services on its territory.

This booklet, without the claim of being exhaustive in providing answers to the many situations in which a consumer of another nationality, worker or tourist, could find himself when purchasing a good or service in a shop or company in Friuli Venezia Giulia, provides a series of useful information for the management and assertion of consumers' rights, as needed.

The instances where problems may arise concern various fields, such as: health services, hotel and tourist services, transport, catering, cultural and leisure events, purchase of goods and merchandise, etc.

The offices of Federconsumatori, a non-profit association, provide valid support to cross-border consumers and the necessary assistance with personnel qualified in the field of consumerism rules, as well as legal professionals.

A further step will be to continue the project, which has long begun and has never been interrupted, to build a network of associations for the defence of consumer rights, capable of acting, with a system of common standard rules, effective in the protection of consumers, but also effective in requesting from the productive world the protection of the environment as well as of consumers' health.

The dream of a world without customs, where the free movement of goods and people is guaranteed, in the respect of the environment and in the light of sustainable production and consumption, remains the underlying assumption which must never be abandoned. Consumers' responsibility will have to grow on these principles.

Angelo D'Adamo

President of Federconsumatori FVG APS

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1. CROSS-BORDER PURCHASES IN THE EUROPEAN UNION: WHAT PROTECTION FOR THE CONSUMER?

by Letizia D'Aronco



■ What role does the European Union play?

Art. 12 of the Treaty on the Functioning of the European Union (TFEU) and art. 38 of the Charter of Fundamental Rights emphasize the attention dedicated to consumers: it is in fact specified that “in the definition and implementation of other policies or activities of the Union, consumer protection needs are taken into consideration” and that “a high level of consumer protection is ensured in Union policies”.

On the basis of this important assumption, the European Union acts to protect the health, safety and economic interests of consumers as well as to promote their right to information, education and organization for the protection of their interests (art. 169 TFEU).

But what kind of activities does the European Union actually carry out?

As we shall see, it mainly issues directives that favour legislative measures to assert **common rights for the European consumer**, and it adopts measures to support and monitor the policies of Member States.

Consumer rights are therefore protected by Union and national legislation for purchases made on business premises or at a distance or negotiated off-premises.

The main legislation includes:

- **Directive 2011/83/EU** of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council;
- **Directive (EU) 2019/771** of the European Parliament and of the Council of 20 May 2019 regarding specific aspects of contracts for the sale of goods, amending Regulation (EU) 2017/2394 and Directive 2009/22/EC, and repealing Directive 1999/44/EC (Text with EEA relevance).

■ Let's see the two directives in detail...

Directive 2011/83/EU, as amended by Directive (EU) 2019/2161, covers a wide range of contracts between traders and consumers, in particular sales contracts, service contracts, contracts for online digital content and contracts for the supply of water, gas, electricity and district heating.

It applies to contracts concluded in shops and to contracts concluded off business premises (e.g., at the consumer's home or in a temporary stand in a shopping centre) or remotely (e.g., online or by telephone).

It does not apply to other contracts, such as those for social services; health care; gambling activities such as lotteries, gambling in casinos and betting; financial services; contracts concluded through vending machines; etc.

■ What are the main points of the directive 2011/83/UE?



■ Obligation to inform

Before concluding a contract, sellers must provide consumers with information such as:

- seller's identity and contact details;
- main characteristics of the product;
- applicable conditions, including payment terms, delivery times, services, contract duration and withdrawal conditions.

In shops, however, only information that is not already evident should be provided. For instance, the retailer's geographical address and identity could be considered obvious or evident in the context, as consumers will normally be aware of the address of the store or restaurant they are purchasing products or services from (cf. art. 3.1.3. of the Communication from the Commission - Guidelines on the interpretation and application of Directive 2011/83/EU of the European Parliament and of the Council on consumer rights - OJ L 525, 29.12.2021, p. 1), as well as of the characteristics of a product displayed in the store.

The obligation to inform, in particular on the right of withdrawal, is necessarily more stringent and specific for contracts concluded remotely (online, by telephone or mail) and for contracts concluded off business premises (e.g., at the consumer's home).

■ So, what do you need to know before a purchase to best protect yourself?

Wherever the consumer decides to buy a product or service -obviously in a Member State of the European Union-, the seller is required to provide clear, correct and comprehensible basic information before the purchase.

Contractual information should generally include:

- main characteristics of the product;
- total price, including taxes and all other costs;
- delivery costs (if applicable) and any other additional costs;
- agreements on payment, delivery or performance;
- seller's identity, with address and telephone number;
- duration of the contract, if applicable.

If the consumer buys online, by phone, mail, or from door-to-door sales reps, they must receive detailed information before purchasing as follows:

- seller's email address;
- any restrictions on delivery to certain countries;
- right to cancel the order within 14 days;
- after-sales services available;
- dispute resolution mechanisms;
- seller's business register number.

■ Right of withdrawal

As stated in the 37th recital of Directive **2011/83 / EU**, the need to guarantee the right of withdrawal, one of the most important for consumers, arises from two considerations: as regards distance selling, consumers are not able to see the goods before concluding the contract, so they must be allowed to test and inspect the goods they have purchased to the extent necessary to establishing nature, characteristics and functioning of the goods themselves. As regards contracts concluded off-premises, moreover, the consumer is guaranteed the right of withdrawal because of the potential element of surprise and/or psychological pressure.



This does not apply to contracts concluded in physical stores; the possibility of changing or returning the goods purchased - in the absence of conformity defects, of course - is subject to the discretion of each seller, who can choose whether to offer it or not, with a refund in money or by issuing a voucher of equal value.

Therefore, at the time of purchase it is advisable to ask for the retailer's policy on the return/replacement of goods and to keep the receipt.

On the other hand, the consumer can withdraw from distance and off-premises contracts within 14 days of concluding the contract itself, **without any explanation and at no additional cost:**

- in the case of service contracts, from the moment of conclusion of the contract (for example, in the case of electricity suppliers concluding contracts through sales reps calling potential customers on the phone, from the moment of the phone call);
- in the case of sales contracts, from the delivery of the goods: that is, from the day on which the consumer or a third party (other than the carrier, and named by the consumer for receiving the goods) enters in physical possession of the goods.

If the consumer has not been informed of the existence of the right of withdrawal, the period for its exercise shall be extended to 12 months.

Is it always possible to exercise the right of withdrawal?

No, there are some exceptions; for example, in the case of perishable goods, sealed goods opened by the consumer and which cannot be returned for health or hygiene reasons, and hotel reservations or car rentals tied to fixed dates.

■ Guarantees

The provisions regarding the guarantee on the goods are present in art. 5, paragraph 1 of Directive (EU) 2019/771.

These provisions apply to all sales contracts between a consumer and a seller, thus both for contracts negotiated on business premises and for those negotiated off-premises or remotely.



In particular, EU legislation states that the seller must grant the consumer a minimum guarantee of 2 years (legal guarantee) as protection against faulty goods or goods that do not correspond to what is advertised.

In what cases, then, can the consumer claim compensation on the basis of the “legal guarantee” provided by EU law?

If the product:

- does not match the description provided;
- has qualities different from the model advertised or shown to the customer;
- is not suitable for the use typical of similar products or for the specific use - accepted by the seller - for which the customer has ordered it;
- does not show the qualities and performance typical of products of the same type;
- has not been properly installed (by seller or customer) due to inadequate installation instructions.

If the seller informs the customer that the product for sale has defects, the customer cannot claim compensation for those defects (for example scratches on a smartwatch).

What kind of compensation can be claimed by the consumer?

- product repair;
- product replacement;
- a price reduction;
- termination of the contract and full reimbursement.

Obviously, there is a hierarchy in the solutions available to the customer: product repair must be privileged rather than its replacement whenever possible. Similarly, price reduction or a full refund may be considered, but only if the first two solutions, i.e. repair or replacement, are not possible because too expensive or complex.

The rationale of prioritising remediation is also linked to the aim of promoting more sustainable consumption patterns and a circular economy. Ensuring greater durability of goods is crucial, as is the promotion of a culture of reparation. In fact, the current system, based on planned obsolescence, lack of spare parts and of information on the guarantee, as well as lack of awareness of consumers’ rights in the event of defective products, push people towards buying new products rather than repairing them.

59% of consumers are not aware that the legal guarantee period in the EU is 2 years minimum (from a study of December 2005 commissioned by the Commission, titled "Consumer market study on the functioning of legal and commercial guarantees for consumers in the EU").

■ What protection does the slovenian and austrian consumer who buys in Italy have?

In Italy the main legislation consists of the Consumer Code, issued with Legislative Decree 206 of 6 September 2005; the same transposes the provisions issued by the European Union that have previously been discussed.



Let's see some practical examples:

An Austrian citizen has bought some clothing in a shopping mall in Tarvisio as a gift for a family member. But they have bought the wrong size and would like to change it. Is it possible?

When a consumer buys a product in a store, they do not have the right to return it (to request its replacement or refund) unless it is defective. It is therefore necessary to verify the store's return policy before the purchase because, regardless of the regulatory provisions, the retailer may offer the possibility of changing the goods under certain conditions.

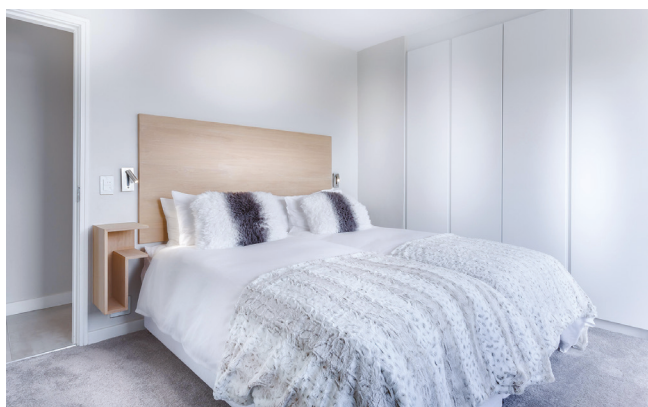
The computer bought by a Slovenian citizen in a computer store in Trieste no longer works after 5 months of use. Are they entitled to the two-year legal guarantee?

Yes, the retailer is required to repair or replace the computer free of charge or, if this is not possible, to offer another solution (refund).



An Austrian citizen has ordered two mattresses with customized sizes on the website of a Friulian company. After receiving them and paying the amount, they would like to return them. Is it possible?

No, the right of withdrawal within 14 days has some exceptions. Among these, art. 59 of the Consumer Code states that such right is excluded in the case of supply of goods made to measure or clearly customized.



An Austrian citizen has bought tickets online to watch a match of Udinese at Stadio Friuli–Dacia, but will not be able to attend. Can they exercise the right of withdrawal?



No: art. 59 of the Consumer Code indicates «purchases of services relating to leisure activities where the contract refers to a specific date or period of performance» among the cases in which a consumer cannot exercise the right of withdrawal.

■ What about Italian consumers who shop in Slovenia and Austria?

European provisions are valid also in these cases, transposed in ZAKON o varstvu potrošnikov (ZVPot) in Slovenia and in Bundesrecht konsolidiert Gesamte Rechtsvorschrift für Konsumentenschutzgesetz, Fassung vom 22.06.2022 in Austria.

EXAMPLES:

An Italian citizen has bought a ticket online for a concert in Austria, but due to a commitment they cannot attend the event and would like to cancel the purchase. Do they have the right to do it?

No, the 14-day cooling-off period does not apply to the purchase of concert tickets.



An Italian consumer has bought a pair of shoes on a Slovenian online shopping site but realized that the number is not right; can they get the amount refunded?

Yes, as required by b43.d člen of the ZVPot, by sending a communication to the seller (using a form provided by the company or submitting an unequivocal statement) within 14 days of receiving the shoes and upon returning them.

An Italian consumer has bought a dress in a souvenir shop in Austria but is no longer convinced of the colour, can they ask to change it?

If the purchase is made in-store, the consumer does not have the right to return the product (to request its replacement or refund), unless it is defective. It is always advisable, however, to ask the store what policy it implements because the retailer may offer the possibility of changing the goods.



A year ago, an Italian consumer bought a camera in a shopping mall in Austria, but now it does not work. Who should they contact, the retailer or the manufacturer?

To activate the legal guarantee, the consumer must contact the retailer.

A few months after the purchase of a sofa in a store in Austria, its central part has begun to show depressions and sinking. The retailer claims that the problem is due to wear and tear, but the consumer claims that it is not. What can be done?

European legislation provides for a two-year guarantee for all new products purchased from a EU-based trader. During this period, the retailer is responsible for any product defect.

■ Conclusions

The harmonisation of the regulatory framework for the protection of European consumers has eliminated the fragmentation of rules and it has created a high level of protection for consumers throughout the Union.

For any further doubt, a user-friendly tool useful for learning European consumers' rights can be found at link: https://europa.eu/youreurope/citizens/consumers/shopping/shopping-consumer-rights/index_it.htm#

2. EUROPEAN SMALL CLAIMS PROCEDURE

by Erica Cuccu

In a historical period such as the present, when most companies operate on international markets, an example among many is that of airlines, a consumer may happen to have a dispute with a company in a European country other than their own. However, judicial procedures are always complex as well as expensive, inviting consumers to renounce their legitimate rights. The EU therefore sets the guidelines for disputes over small claims in Regulation (EC) No. 861/2007 (amended by Regulation (EU) No. 2015/2421), which establishes the **Procedure for Small Claims**.



This is a judicial procedure alternative to the ordinary procedures operating in each Member State, and established by the EU in 2009 in order to facilitate the access to justice for European citizens and to help them navigate cross-border disputes.

■ What are the entry requirements?

1. That both subjects must belong to two nations of the European Union;
2. That the value of the dispute must not exceed 5,000 Euro;
3. That the dispute must concern purchases, products, or services.

■ What are the costs?

Payment of the unified contribution of **43.00 Euro** is required for claims of up to 1,100 Euro and of **98.00 Euro** for claims of more than 1,100 and up to 5,000 Euro. This contribution can be paid at post offices, at banks using model F23 or at tobacco shops ("Tabacchi e valori bollati").

For cases that exceed the value of 1,033 Euro, in addition to the unified contribution, a payment of **27.00 Euro** is also due, as a flat-rate advance on court costs (advance reimbursement of fees, travel allowances and mailing costs for notification).

■ How can the consumer activate the procedure?

This procedure is very simple and very inexpensive, as it does not require the assistance of a lawyer. In particular, the stages of the procedure are as follows:

1. **Collect all the evidence** such as contracts, tickets, complaints or invoices that can justify the claim and put the court in a position to assess the merits of its reasons.



2. **Complete the application form** on the dedicated website of the European Court of Justice and in particular **Form A**, detailing the facts and claims.

EUROPEAN SMALL CLAIMS PROCEDURE	
FORM A	
CLAIM FORM	
<p style="text-align: center; font-size: small;">(Article 4(1) of Regulation (EC) No 861/2007 of the European Parliament and of the Council establishing a European Small Claims Procedure)</p>	
<p>Case number (*):</p> <p>Received by the court/tribunal on: __/__/__ (*)</p> <p style="font-size: x-small;">(*) To be filled in by the court/tribunal.</p>	
IMPORTANT INFORMATION	
<p>PLEASE READ THE GUIDELINES AT THE BEGINNING OF EACH SECTION – THEY WILL HELP YOU TO FILL IN THIS FORM</p>	
<p>Assistance in filling in the form</p> <p>You may benefit from assistance in filling in this form. To find out how to obtain such assistance, you may refer to the information provided by the Member States and published on the website of the European Judicial Atlas in civil and commercial matters, available at the European e-Justice Portal https://e-justice.europa.eu/content_small_claims-354-en.do. Please note that this assistance does not include legal aid, for which appropriate application must be made under national law; nor does it include a legal assessment of your case.</p>	
<p>Language</p> <p>Fill in this form in the language of the court/tribunal to which you are sending your application. Please note that the form is available in all official languages of the institutions of the European Union on the European e-Justice Portal https://e-justice.europa.eu/content_small_claims_forms-177-en.do. This may help you in filling in the form in the required language.</p>	
<p>Supporting documents</p> <p>Please note that the claim form should be accompanied, where appropriate, by any relevant supporting documents. However, this does not prevent you from submitting, where appropriate, further evidence during the procedure.</p> <p>A copy of the claim form and, where appropriate, of the supporting documents, will be served on the defendant. The defendant will have an opportunity to submit a response.</p>	
<p>1. Court/tribunal</p> <p>In this field you should identify the court/tribunal before which you are making your claim. When deciding which court/tribunal to choose, you need to consider the grounds for the court's/tribunal's jurisdiction. A non exhaustive list of possible grounds of jurisdiction is included in section 4. You may wish to use the dedicated search facility, available on the European e-Justice Portal to find the details (address, telephone number etc.) of the court with jurisdiction: https://e-justice.europa.eu/content_small_claims-354-en.do</p>	
<p>1. Before which court/tribunal are you making your claim?</p> <p>1.1. Name:</p> <p>1.2. Street and number/PO box:</p> <p>1.3. City and postal code:</p> <p>1.4. Country:</p>	
<p>2. Claimant</p> <p>This field must identify you as the claimant and your representative, if any. Please note that it is not mandatory to be</p>	

3. **Deposit the form** together with its annexes with the justice of the peace, who will be in charge of delivering notifications to the other party and of assigning the competent judge.
4. Upon notification, the other party may or may not lodge a **defence within 30 days** of the notification
5. Following this step, **the court will decide to set a hearing or to proceed directly to a sentence**, which will be subsequently executed within the terms and in the manner provided by the state of origin.

Information on languages and media accepted by the competent court is available on the European e-Justice portal (www.e-justice.europa.eu) in the section "Taking legal action".

3. TRAVEL AND ACCOMMODATION

by Erica Cuccu

The main disputes involving cross-border consumers relate to travel, and in particular they arise with air, sea or rail carriers. However, there is no lack of problems relating to stays and cancelled bookings, possible withdrawals or even real scams to the detriment of unsuspecting travellers who, upon arrival at the resort, discover the non-existence of the structure or accommodation.

A premise is necessary:

It is always good practice to check the reliability of the websites or travel agencies a consumer turns to for a booking, preferring tour operators and tourist companies based in one's own country also for holidays that will be held abroad, and possibly finding help in reviews and feedback from other travellers. Furthermore, it is necessary to be wary of companies who request payment by postal order, top-up cards or others means difficult to trace.

■ Stays

The booking of a stay can be made in different ways: by phone, by fax, with a letter or an e-mail, as the legislator has not prescribed a particular form for such contracts.

The reservation of a room by the customer **coincides** with the moment of **the conclusion of the contract**, and although it may consist of a distance contract, withdrawal is not contemplated in this instance.

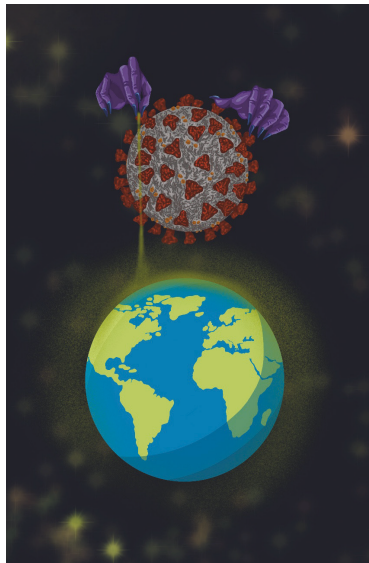
In Italy, like in the rest of the world, a contract may contemplate withdrawal, but this is determined by the conditions set by the provider of the service (by way of example, a deadline for free cancellation, or percentages applied as a penalty). It follows that a consumer's **cancellation** determines also the consumer's obligation to indemnify the accommodation provider for the loss suffered, the extent of which needs to be assessed on a case-by-case basis.

It is therefore always better to consider taking out insurance **to cover** the costs of cancellation in the event of death, accident or illness of the insured person, a family member or another person indicated in the policy itself. Insurance cover may be useful also in other events, such as cancellations due to business reasons (for instance in the event of dismissal or of forced postponing of holidays), or in the case of material damage to the property of the insured.

■ Pandemic from Covid -19

A whole separate chapter needs dedicating to the issue of the Covid-19 Pandemic and the regulations that several countries have been forced to introduce for the management of the free movement of citizens, regulations which set containment strategies and travel restrictions, such as border closures, flight suspensions and health checks.

As a result, millions of consumers are currently prohibited from travelling to destinations where they have booked accommodation. Many have had to cancel or change their trip for reasons of public health and personal safety. In addition, due to the coronavirus pandemic, many cultural and sporting events have been cancelled or postponed to a later date.



In particular, EU consumer protection legislation does not regulate the conditions and consequences of the cancellation of individual services, such as accommodation bookings. Therefore, consumer rights depend on national contract law, including the rules relating to extraordinary circumstances, and on contract conditions, including the service provider's cancellation policy.

However, legislators of several countries have mainly conformed to a shared model that provides:

- that, in the event of cancellation or limitation of services due to force majeure such as the COVID-19 pandemic, consumers are not required to pay for the service;
- that, however, consumers do not have the right to claim compensation for additional costs that may arise from the events;
- that consumers may be offered a voucher for the subsequent provision of the service they have paid in advance, with the obligation of accepting it;
- the exclusion of any contractual clause requiring consumers who are unable to travel or take advantage of the accommodation booked due to the COVID-19 pandemic to nevertheless pay the full price to the accommodation provider.

However, in a period as delicate as the present, it is highly recommended that consumers sign a cancellation policy which also includes this type of claim in order to avoid any possible litigation.

■ Flights

All the legislation governing the management of disputes relating to air carriers is contemplated in **Regulation (EC) no. 261/2004 of the European Parliament and Council** of 11 February 2004, which establishes common rules on compensation and assistance to passengers in the event of denied boarding, flight cancellation or prolonged delay:

What are the criteria for the application of the regulation?

- If the flight takes place **within the EU** and is operated by a **EU or non-EU airline**;
- If the flight **arrives in the EU** from a non-EU country and is operated by a **EU airline**;

- If the flight departs **from the EU to a non-EU country** and is operated by **a EU or non-EU airline**.

Special mention is necessary for flights to or from the **United Kingdom**, as from 01/01/2021 the UK will no longer abide by the regulation mentioned unless the carrier is based in a Member State of the European Union.

■ Denied boarding

If the operating air carrier can reasonably expect to deny boarding on a flight, it shall first appeal to volunteers who are willing to waive the reservation in exchange for benefits. If the number of volunteers is not sufficient to allow boarding to everyone, the air carrier can deny boarding to unwilling passengers by paying compensation.



unwilling passengers by paying compensation.

Air carriers shall give priority to persons with reduced mobility and their carers.

In the event of flight cancellation or denied boarding, the passengers involved are entitled to:

- a refund of the ticket within seven days or a return flight to the initial point of departure or an alternative flight to the final destination;
- assistance (meals and drinks, hotel accommodation, transport to and from the airport, two free telephone calls or messages via telex, fax or e-mail);
- compensation fixed at:
 - **EUR 250** for all flights of less than or equal to 1,500 km;
 - **EUR 400** for all intra-European flights of more than 1,500 km and all other flights between 1,500 and 3,500 km;
 - **EUR 600** for all flights not covered by the categories mentioned above.

■ Delays

The regulation introduces a regime that contemplates three categories of penalties:

- in the event of prolonged delays (two hours or more, depending on flight length), passengers receive free meals and drinks as well as the possibility of making two telephone calls or messages via telex, fax or e-mail;
- if the departure time is scheduled for the following day, passengers are entitled to receive free hotel accommodation and transport to and from the airport;
- in the event of a delay of at least five hours, passengers can opt for a full refund of the price of the ticket together with a return flight to the initial point of departure, if necessary.

■ Cancellation

In the event of flight cancellation, the affected passengers shall receive:

- assistance (meals and drinks, hotel accommodation, transport to and from the airport, two free telephone calls or messages via telex, fax or e-mail);
- a refund of the ticket within seven days or a return flight to the initial point of departure or an alternative flight to the final destination;
- to compensation fixed at:
 - EUR 250 for all flights of less than or equal to 1,500 km;
 - EUR 400 for all intra-European flights of more than 1,500 km and for all other flights between 1,500 and 3,500 km;
 - EUR 600 for all flights that do not fall under the previous two categories.

4. THE CONSUMER IN THE EU TAX SYSTEM

by Daniela De Pauli

Since the entry into force of the constitutive agreements, all residents in the countries of the European Union possess **European citizenship**, which guarantees the equality of rights and duties within the European Union. The cornerstone of EU citizenship, introduced by the Maastricht Treaty in 1992, is the freedom of movement and residence of people within the European Union.

Traveling within Europe is an opportunity to interact with other countries and learn about new interesting communities, allowing a full understanding of what being a EU citizen means. In this perspective, for instance, it has become possible for people to cross borders without being subjected to checks.



■ Purchases in Europe

The same principle of **free circulation** is also applied to goods, and therefore to goods traveling from one country to another, making it easier to make purchases outside one's own country.

The free movement of goods is guaranteed through **the elimination of customs duties and of quantitative restrictions** and the prohibition of adopting measures having equivalent effect. The principles of mutual recognition, the elimination of physical and technical barriers and the promotion of standardization are further elements introduced for an optimal management of the European internal market.

Through a complex process of **harmonization at the tax level**, the process of **eliminating** the major **disparities existing** between tax systems of the different Member States has been carried out.

In general, all our purchases are subject to VAT, the value added tax that companies are required to charge to the **"final consumer"**, the person who is at the end of the cycle of the good or service. For example, a person who buys a dress in fact **"consumes"** it exactly like a drink, so they will be charged VAT, which is included in the final purchase price.

Example:

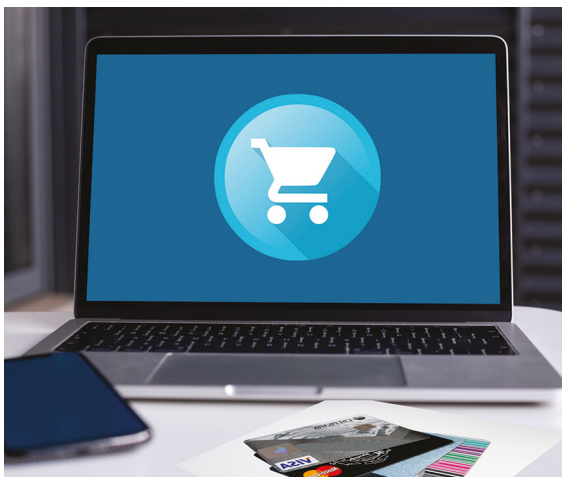
A consumer wants to buy a piece of furniture for the price of 122 euros: of these, 100 euros represent the value of the product, and 22 represent VAT. In this case, a VAT rate of 22% is applied. The price of the piece of furniture is 100 euros, incremented by the seller by 22% (VAT), therefore 122 euros is the final retail price to the public, which includes VAT. For the final consumer, VAT becomes a cost in all respects.

VAT is therefore **charged** to the final consumer, and it is **due** in the EU country where the goods are consumed by the final consumer. Similarly, VAT is charged on services when they are provided in each EU Member State. If we visit a EU country for a few days, we are required to pay the hotel the price including the VAT in force in the country.

■ Online purchases

Trading on **digital platforms** has made it possible to fully benefit from the Single European Market, as consumers can access a **vast range of products and services** and compare their value for money, choosing the best option that satisfies their needs.

Tax legislation is similar to that relating to purchases in physical stores. Not infrequently, however, purchases can present unpleasant surprises as the territorial origin of purchases may not be clearly indicated on some online sites.



■ What do consumers need to make sure for their protection?

To avoid paying a higher price, it is necessary to pay attention to VAT and postal charges, to ascertain whether they are included in the price stated. It should also be noted that some online prices are displayed in currencies other than the Euro.

Taking the example of the purchase of the piece of furniture with a price of € 100 plus VAT: if the purchase were made from a German company that applies the rate of 19%, the final price would be €119, while if the purchase was made from a Bulgarian company that applies the rate of 27%, the final price would be €127.

European standards are available at the following link:

https://europa.eu/youreurope/business/taxation/vat/vat-rules-rates/index_it.htm#shortcut-5

■ How does VAT work when a consumer buys a product in a store not in their country of residence?

European citizens who shop in the EU, both in physical stores and online, pay VAT only once, in the country where the purchase is made. They can take home any product purchased in another EU country without stopping at the border or having to issue a customs declaration.

Example:

A personal computer worth €1,000 plus VAT will cost € 1,220 in Italy for the final consumer, that is €1,000 to which 22% VAT is added. If the same consumer went to Luxembourg to buy a computer worth €1,000 plus VAT, they would pay €1,170, i.e. €1,000 plus Luxembourg VAT of 17%, resulting in a theoretical saving of €50.

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Production and printing by: Cronaca Fvg s.a.s*



Project realized with the funds of L.R. 16/2004