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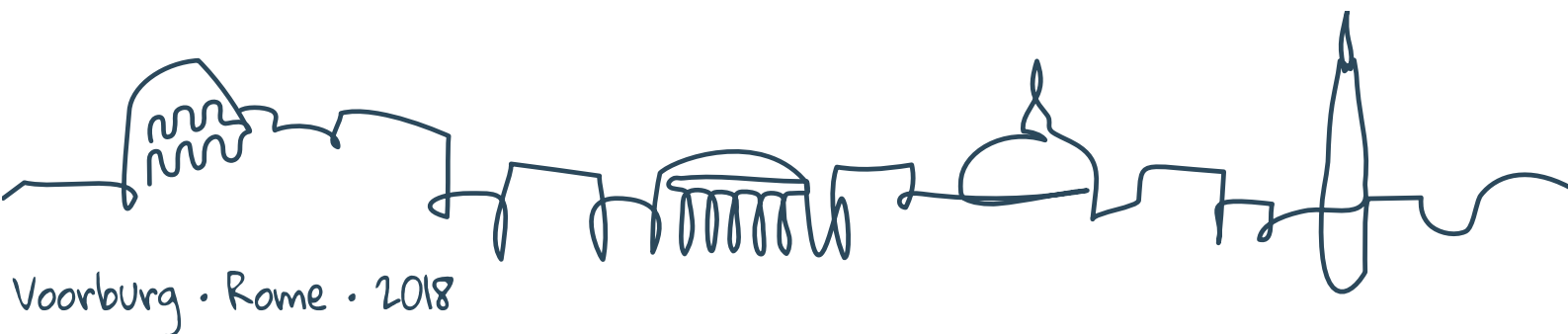
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Export of services

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Introduction

Export of services is an important part of the economy of each countries economy. Digitalisation is a powerful tool for producing services and especially export of services. Enterprises are selling amazing services beyond any classification. Real challenge for statisticians is the measuring of services.

This paper is giving an overview about services export data compilation practice in Estonia. The export of services data is compiled by Bank of Estonia in close cooperation with Statistics Estonia. Data are used for balance of payments statistics, gross domestic product and foreign trade statistics calculations.

The definition and methodology is described. The current data about Estonian export of services are presented. Some important measurement issues and further steps are pointed out.

1. Definition and methodology of export of services

1.1 Balance of payments

From Balance of Payments Manual: System of National Accounts 2008 (SNA) coverage of exports and imports of goods and exports and imports of services is identical to balance of payments coverage of corresponding items – with the exception of the item “financial intermediation charge indirectly measured”. According to the *Manual*, this service is included under *investment income* as a distinguishable part of interest income. In balance of payments accounts, exports and imports of services are disaggregated in considerable detail to provide data for analysis and policy decisions – particularly for negotiations in international trade in services within the framework of the *General Agreement on Tariffs and Trade (GATT)*. Categories of services identified in the balance of payments are consistent with those of the Central Product Classification (CPC) – except for *travel* and *government services* n.i.e., which have no counterparts.

The services account reflects the services sold to and purchased from non-residents by Estonian residents.

Residents are:

1. state authorities or agencies of the Republic of Estonia in the broadest sense (legislative, executive and judicial bodies or their agencies, and constitutional institutions), and local governments or their agencies;
2. Estonian diplomatic, consular or other official representations in foreign countries, and representative offices of other Estonian institutions or organisations abroad which are not engaged in any economic or commercial activity;
3. legal persons in public law and their agencies formed under the laws of the Republic of Estonia;
4. legal persons in private law registered in the Republic of Estonia, or their representative offices (including cross-border service providers);
5. companies (Societas Europaea, SE) or cooperatives (Societas Cooperativa Europaea, SCE) registered in the Republic of Estonia under the statute for a European company, or their representative offices;

6. branches of foreign legal persons registered in the Republic of Estonia;
7. Estonian citizens residing in the Republic of Estonia;
8. aliens residing in the Republic of Estonia who hold a permanent residence permit or a temporary residence permit for at least one year;
9. people defined in clauses 7 or 8 who are studying or undergoing medical treatment abroad, whatever the duration of their studies or medical treatment;
10. people defined in clauses 7 or 8 who are members of a ship crew, seasonal or cross-border workers abroad, whatever the duration of their stay abroad;
11. diplomats, military personnel, and staff of consular or other official representations of the Republic of Estonia and their family members who are abroad and who enjoy immunity and diplomatic privileges.

A non-resident is anyone not covered by the definition of residents.

Credits are exports of goods and services and income receivable.

Debits are imports of goods and services and income payable.

Manufacturing services cover processing, assembly, labelling, packing, etc. of goods, where the provider of the service is not the owner of the goods for processing and is paid for the service by the owner of the goods. Excluded are the assembly of prefabricated construction, which comes under Construction, and labelling and packaging incidental to transport, which comes under Transport.

Maintenance and repair services reflect the maintenance and repair of machinery, transport equipment and other goods; this includes any parts or materials supplied by the repairer and included in the charges. Parts and materials charged separately are recorded on the goods account. Excluded are the cleaning of transport equipment (Transport); construction maintenance and repairs (Construction); and maintenance and repair of computers (Telecommunications, computer and information services).

Transport is the carriage of people and objects from one location to another and related support and auxiliary services. Transport covers passenger, freight and other transport services across the major types of transport (sea, air, rail, road, and other transport). Also included are postal and courier services, pipeline transport, and transmission of electricity.

Passenger services cover international transport of non-residents by resident carriers as exports, and transport of residents by non-resident carriers as imports. Also included are internal passenger services for residents provided by non-resident carriers. Passenger services are presented across the major types of transport, which are sea, air, rail, road, and other transport.

Freight services cover the transport of objects other than people. Passenger services are presented across the major types of transport, which are sea, air, rail, road, and other transport.

Other transport services include cargo handling, storage and warehousing, packing and repacking, navigation services, air traffic control, cleaning of transport equipment, salvage operations, agents fees associated with passenger and freight transport, fees for expedition and bookings, etc. Excluded are freight insurance, which comes under Insurance services; fuel, goods and provisions procured in ports and airports by non-resident carriers (Goods); maintenance and repair of transport equipment (Maintenance and repair services); repairs of railways, harbours and airfield facilities (Construction); and rental of transport equipment without crew (Operating leasing). Passenger

services are presented across the major types of transport, which are sea, air, rail, road, and other transport.

Pipeline transport is the international transport of petroleum and related products, water, and gas in pipelines. Excluded are distribution services from substations to the consumer (Other business services) and the value of the products transported (Goods).

Electricity transmission means international transmission of electricity by high voltage lines. This includes charges for the transmission of electricity if they can be distinguished from the cost of the production and distribution of electricity; excluded is the cost of the electricity being transmitted (Goods) and of distribution services to consumers (Other business services).

Other transport supporting and auxiliary services covers services that are auxiliary to transport and not directly provided for the movement of goods and people. This covers only transport supporting and auxiliary services which cannot be separated across the major types of transport (sea, air, rail, road, and other transport). See also Other transport services.

Postal and courier services cover the pick-up, transport, and delivery of letters, newspapers, periodicals, other printed matter, parcels and packages, including post office counter and mailbox rental services.

Travel covers goods and services bought from a foreign country by a person travelling, for their own use or to give away, including the use of local transport. Excluded are international transport (Passenger transport), goods purchased for resale and valuable goods like jewellery, works of art and cars (Goods).

Business travel covers the acquisition of goods and services by business travellers. It also includes the acquisition of goods and services for personal use by seasonal, cross-border and other workers who are not resident in the economy in which they are employed.

- Cross-border workers are those whose permanent residency is in one economy and who are working in another economy, usually in a neighbouring country.
- Short-term workers such as seasonal workers are workers who are working in a foreign country for less than one year.

Personal travel covers goods and services acquired by travellers going abroad for purposes other than business, such as vacation, recreation or visits, including trips for education and health purposes.

Construction covers the cost of construction activities abroad by resident companies or of construction activities in Estonia by non-residents. This includes goods and services purchased in the country of the construction for the purpose of the construction. International construction contracts are usually short term. For large-scale long-term construction projects in a foreign country, a direct investment enterprise is normally established in that country and the construction project is then usually considered to be a resident project.

Insurance and pension services cover imputed charges for direct and reinsurance services. Also included are other insurance auxiliary services, pension services and standardised guarantee services.

Direct insurance covers life and non-life insurance (including freight insurance). Direct insurance is where an insurer insures companies, households and other institutional units against risks. Direct

insurance services cover difference between the insurance premiums collected with the income earned from them and the claims payable.

Reinsurance is insurance where both parties to the policy are providers of insurance services. Reinsurance allows insurance risk to be partly transferred from one insurer to another.

Other auxiliary insurance services cover the provision of services that are closely related to insurance activities and pension fund operations - agents' commissions, insurance brokering and agency services, insurance and pension consultancy services, evaluation and loss adjustment services, actuarial services, and regulatory and monitoring services.

Pension and standardised guarantee services cover the explicit or implicit service charges for pension funds. Standardised guarantee services are arrangements where one party (the guarantor) undertakes to cover the losses of the lender in the event that the borrower defaults on liabilities for export credits or student loan guarantees.

Financial services cover financial intermediation services and auxiliary services other than insurance and pension fund services, related to commissions and fees for banking and securities brokerage or to custodial services, clearing, depository services, financial consulting and similar.

Explicitly charged financial services cover financial services for which a fee is charged for service provision, such as contract fees for loan applications or management fees for bank cards.

Financial intermediation services indirectly measured (FISIM) are related to loans and deposits. Interest from loans and deposits includes an income element and a service fee, with the service fee recorded under FISIM and the income on the primary income account.

Charges for the use of intellectual property cover:

1. charges for the use of proprietary rights (patents, trademarks, copyright, and industrial technologies and designs, including trade secrets and franchises); these rights may arise from research and development or marketing;
2. charges for licenses to reproduce and distribute originals or prototypes (copyrights on books and manuscripts, computer software, cinematographic works and sound recordings) and related rights (live performances, television, cable or satellite broadcast).

Telecommunications, computer, and information services cover the transmission of information by electronic means (telephone, radio, television or internet), and services related to computer hardware and software, news agencies and databases.

Telecommunications services cover the transmission of sound, images or other information using telecommunication equipment; excluded is the cost of the information being transmitted. This also covers mobile telecommunication services and access fees for internet backbone services. Excluded are installation services for telephone network equipment (Construction) and database services (Information services).

Computer services cover services related to hardware and software and data processing services (consultancy, repair and maintenance, damage recovery services, licenses to use non-customised software, development of customised software, web page hosting and similar). Excluded are charges for licenses to reproduce or distribute software (Charges for the use of intellectual property) and non-customised software provided on physical media with the right to perpetual use (Goods).

Information services are news agency services, database services (database conception, web search portals and search engines), and direct, non-bulk subscriptions to periodicals (bulk periodicals are recorded on the goods account).

Other business services cover research and development services, professional and management consulting services and technical, trade-related and other business services.

Research and development services cover services associated with basic and applied research and experimental development of new products and processes. Technological advances in the physical sciences, social sciences, and humanities generally fall within this category. Also included is commercial research related to electronics, pharmaceuticals, and biotechnology, and the purchase or sale of proprietary rights arising from research and development (patents, copyrights arising from research and development, and industrial designs, including trade secrets).

Professional and management services cover legal services, accounting, auditing, management consulting, public relations and advertising services, and market research and public opinion polling.

Technical, trade-related and other business services cover architectural, engineering and other technical services, trade-related services (commissions and service charges of commodity brokers and dealers), waste treatment and de-pollution, agriculture and mining services, and operating leasing services. An operating leasing covers renting out produced assets (buildings, equipment or means of transport without crew) without any transfer of ownership and risks to the lessee. Operating leasing contracts usually have a term of less than two years.

Personal, cultural, and recreational services cover audio-visual and related services, health and educational services, and heritage and recreational services.

Audio-visual and related services cover audio-visual services related to radio, television and cinematography (including purchase and sale of original manuscripts, films, sound recordings and other works, fees for downloadable products, and television channel access fees), organisation of concerts and other events, and performance fees and royalties. Excluded are charges or licenses for reproduction or distribution of audio-visual products (Charges for the use of intellectual property) and sales of exclusive rights (capital account, non-produced non-financial assets).

Other personal, cultural, and recreational services cover health and educational services rendered remotely over the internet or similar or at the site of a service provider abroad. Also included are cultural and recreational services associated with museums and other cultural, sporting, gambling, and recreational activities. Excluded are personal, cultural and recreational services consumed abroad (Travel).

Government goods and services not included elsewhere cover:

1. purchase and sale of goods and services by and to enclaves abroad (embassies, international organisations and military bases);
2. spending in the host economy by diplomats, consular staff and military personnel and their dependents based abroad;
3. services supplied by and to governments and not included in other categories of services.

Bank of Estonia compiles external sector statistics that include data on the balance of payments, the external debt, the international investment position and foreign exchange reserves. The methodology of the balance of payments statistics is based on the Balance of Payments and International Investment Position Manual, 6th Edition (BPM6) of the International Monetary Fund. The compilation of Estonia's balance of payments is one of the functions of Bank of Estonia, as set out in Subsection 2(6) of the Eesti Pank Act and also in Subsection 8(1) of the Official Statistics Act, which lists Bank of Estonia the second agency after Statistics Estonia to conduct official statistics. The balance of payments is a statistical statement that summarizes all of the economic transactions made between a country and the rest of the world during a period.

Bank of Estonia compiles quarterly and monthly balance of payments (the latter is also known as the balance of payments flash estimate).

The Balance of Payments is compiled using a system that combines three sources of information:

- The survey system draws upon information from statistical surveys and reports, such as enterprise surveys and reports from credit institutions.
- The cross-border payments system is based on the collection and processing of international payments sent or received through Estonian banks. The information supplied on the payment instructions is used to give a transaction code to each payment that matches the structure of statistical outputs.
- The administrative system draws on information from the data collected by agencies such as the foreign trade statistics, the database of the Estonian Central Securities Depository, the central database for securities of the European System of Central Banks, and the tax declarations submitted to the Tax and Customs Board.

The following data sources are used in compiling the statistics for the main service groups:

- Manufacturing services – enterprise survey data are added to by information from the official foreign trade statistics on the cross-border movement of goods for manufacturing with no change of ownership.
- Maintenance and repair services – enterprise survey data are supplemented by data on cross-border payments.
- Transport – the main source of data is the enterprise survey. Further information comes from the difference between CIF and FOB prices, for which an estimate of the insurance and transport services provided to non-residents is subtracted from the cost of the imported goods. A model is used to divide the transport services between the other transport services of various transport types.
- Travel – an econometric model is used, with the main inputs taken from foreign travel statistics derived from the mobile positioning data of OÜ Positium LBS, which show visits to Estonia by foreigners and the numbers of trips abroad by Estonian residents by country and duration, and the survey run by Statistics Estonia of tourists' expenditures in Estonia and abroad. These data are supplemented from additional sources like the enterprise survey, Ministry of Education data on foreign students, border crossing and accommodation statistics, the tax declarations database of the Tax and Customs Board, and others.
- Construction – data are separate for construction abroad and in Estonia and enterprise survey data are supplemented by data on cross-border payments.
- Insurance and pension services – the main data sources are the surveys by Bank of Estonia of insurance and other companies, the reports by pension funds to the Financial Supervision Authority, the insurance sector statistics from Statistics Estonia, and the imports in the foreign

trade statistics, which are used to calculate purchases by non-residents of transport insurance under direct insurance.

- Financial services – estimations are made to services explicitly charged and to services indirectly measured. The main sources for directly measured financial services are reporting by credit institutions and enterprise surveys, which are supplemented with data on cross-border payments. Indirect measurement of financial services uses models where the main inputs are the positions of loans and deposits of credit institutions, companies and the general government and the reference interest rate calculated using the guidelines of the European Central Bank.
- Charges for the use of intellectual property, telecommunications, computer and information services, other business services and personal, cultural and recreational services – data are likewise collected from enterprise surveys, which are supplemented with data from cross-border payments, credit institutions, and the Public Sector Financial Statements system.
- Government goods and services, n.i.e – the main source of data is the Public Sector Financial Statements system. Statistics Estonia processes the data from the system and sends the general government transactions with the rest of the world to Bank of Estonia. Estimates of the spending by foreign embassies in Estonia are added.

The data are collected through electronic data transmission channels like eAruanne, SWIFT file exchange and X-tee, and are generally processed automatically. The information from the three systems is added to where necessary by modelling or estimates. Statistical outputs are compiled using the calculation algorithms of the information system, and they are validated before publication using arithmetic and qualitative tests and correspondence control for inputs and outputs.

Bank of Estonia and Statistics Estonia use the same principles for revising statistics, and these are in line with the principles of the revision policy recommended by the European Commission and the European Central Bank. The revision policy is harmonised for the external sector statistics and the sub-accounts of the national accounts (GDP, external sector financing statistics, and the quarterly and annual non-financial and financial accounts).

Revisions can be regular or extraordinary.

1.2 Foreign Trade Services Statistics by Statistics Estonia

The Bank of Estonia collects data about the international trade of services for balance of payments purposes. The Bank of Estonia is responsible for the compilation and dissemination of international trade of services statistics (ITSS). The ITSS data is transmitted to Statistics Estonia for the compilation of Services Trade by Enterprise Characteristics (STEC) datasets. Both Statistics Estonia and the Bank of Estonia are official producers of statistics in Estonia according to the Official Statistics Act. This enables the exchange of detailed data on enterprise level between the two institutions for statistical purposes.

The trade of services data contains the following indicators: (i) reference year, (ii) registration code of the trader (ID), (iii) name of the trader, (iv) Balance of payments code (BPM), (v) Balance of payments description, (vi) partner country, (vii) value of exports and (viii) value of imports.

STEC data are typically produced by linking International Trade in Services enterprise surveys with the Statistical Business Register, creating additional information from existing national statistical

data sources at a moderate cost for compilers, without increasing the burden to respondents. However, this data linking process has conceptual, practical, and dissemination challenges.

The foreign trade data of services are classified by the primary activity of the exporters and importers. The principal activities of enterprises are classified according to **the Estonian Classification of Economic Activities (EMTAK 2008)**, which is based on NACE Rev. 2. The data are only for economic units registered in Estonia.

The foreign trade statistics on services have been divided by administrative unit according to the legal address of the enterprises having exported or imported services. The administrative unit is determined based on the legal address also if the enterprise operates in several counties or if its foreign trade operations do not take place in the administrative unit that corresponds to its legal address.

The foreign trade data on services are classified by the type of ownership of enterprises exporting and importing services.

Services are classified according to the **Extended Balance of Payments Services classification 2010** (EBOPS 2010). According to the EBOPS 2010 classification, services are classified into 12 main groups, which may, in turn, have sub-groups:

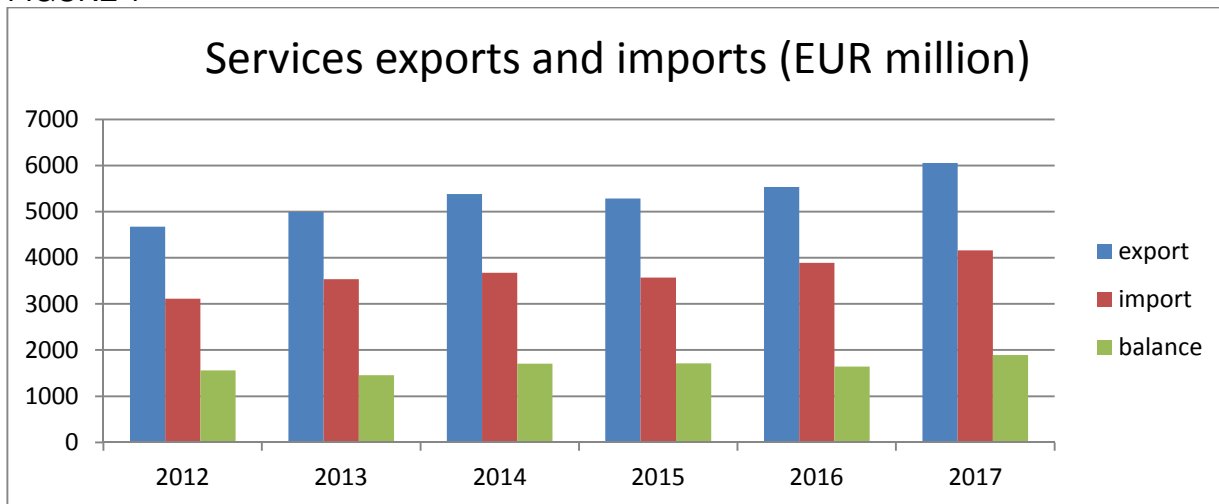
- manufacturing services;
- maintenance and repair services;
- transport;
- travel;
- construction;
- insurance and pension services;
- financial services;
- charges for the use of intellectual property;
- telecommunications, computer and information services;
- research and development services; professional and management consulting services; technical, trade-related and other business services;
- personal, cultural, and recreational services;
- government goods and services not included elsewhere.

The data cannot be published until they have first been published by Bank of Estonia (Bank of Estonia publishes data 70 days after the end of the reporting period). The table on the foreign trade of services is updated in the database by Statistics Estonia on a quarterly basis, generally 71 days after the reporting period.

2. Data of export of services in Estonia

The balance on the services account was positive by 1.9 billion euros, or 8% of GDP, in 2017. This meant services remained an important source of income for the Estonian economy and they helped to offset the negative balance for goods. Most types of services contributed to the services account surplus.

FIGURE 1



Source: Bank of Estonia

Exports of services increased by 9% in 2017 compared to 2016 and imports by 7%. The biggest contribution to the turnover of services came from European Union countries, with other markets contributing less.

TABLE 1. Exports of services by groups of countries

	2016		2017		2016/2017
	Volume (EUR million)	Share %	Volume (EUR million)	Share %	Change %
TOTAL	5531,7	100,0	6053,5	100,0	9,4
European Union, of which	3839,4	69,4	4279,0	70,7	11,4
Finland	1459,8	26,4	1504,8	24,9	3,1
Sweden	462,8	8,4	547,5	9,0	18,3
Latvia	319,8	5,8	390,2	6,4	22,0
Germany	294,5	5,3	317,4	5,2	7,8
United Kingdom	269,3	4,9	309,3	5,1	14,9
CIS, of which	498,7	9,0	508,7	8,4	2,0
Russian Federation	397,4	7,2	411,1	6,8	3,4
Ukraine	37,7	0,7	58,7	1,0	55,7
Kazakhstan	27,8	0,5	18,4	0,3	-33,8
Other countries, of which	1193,6	21,6	1265,8	20,9	6,0
United States of America	246,8	4,5	268,4	4,4	8,8
Norway	245,2	4,4	226,1	3,7	-7,8
Switzerland	189,5	3,4	192,8	3,2	1,7

Source: Bank of Estonia

The structure of services exports has been relatively stable over the years. Transport services accounted for the largest share of services exports with 29%, followed by travel services with 25% and other business services with 20%. Other business services include trade services, legal assistance, accounting, management consulting, scientific and technical services and other professional services, including operational leases. There has been strong growth in recent years in exports of telecommunications, computer and information services, and construction services.

TABLE 2. Exports of services by major categories

	2016		2017		2016/2017
	Volume (EUR million)	Share %	Volume (EUR million)	Share %	Change %
Total	5531,7	100,0	6053,5	100,0	9,4
01 Manufacturing services on physical inputs owned by others	177,9	3,2	195,2	3,2	9,7
02 Maintenance and repair services	169,0	3,1	167,0	2,8	-1,2
03 Transport	1593,1	28,8	1787,9	29,5	12,2
04 Travel	1386,6	25,1	1443,1	23,8	4,1
05 Construction	362,1	6,5	408,4	6,7	12,8
06 Insurance and pension services	3,6	0,1	4,6	0,1	27,8
07 Financial services	125,5	2,3	121,7	2,0	-3,0
08 Charges for the use of intellectual property	10,4	0,2	17,5	0,3	68,3
09 Telecommunications, computer and information services	519,2	9,4	636,0	10,5	22,5
10 Other business services	1092,3	19,7	1175,7	19,4	7,6
11 Personal, cultural and recreational services	50,2	0,9	58,4	1,0	16,3
12 Government goods and services, n.i.e	41,9	0,8	38,1	0,6	-9,1

Source: Bank of Estonia

Services production is concentrated around the capital city of Estonia. Over 58% of services exports volume is provided by units located in Tallinn.

TABLE 3. Exports of services by administrative units

Administrative unit	2016		2017	
	Volume (EUR million)	Share %	Volume (EUR million)	Share %
Whole country	5531,7	100,0	6053,5	100,0
Harju county	3600,3	65,1	4009,3	66,2
..Tallinn	3153,7	57,0	3541,8	58,5
Tartu county	280,3	5,1	297,3	4,9
..Tartu city	259,7	4,7	268,7	4,4
Other counties	1651,1	29,8	1746,9	28,9

Source: Statistics Estonia

Enterprises with the principal activity of transport and storage show the largest volume of exports of services.

TABLE 4. Exports of services by economic activity EMTAK 2008 (based on NACE Rev. 2)

Economic activities	2016	2017	2016	2017	2016/2017
	Volume (EUR million)	Volume (EUR million)	Share %	Share %	Change %
Economic activities total	5531,7	6053,5	100,0	100,0	9,4
A Agriculture, forestry and fishing	10,5	6	0,2	0,1	-42,9
B Mining and quarrying	0,5	0,7	0,0	0,0	40,0
C Manufacturing	486,4	510,1	8,8	8,4	4,9
D Electricity, gas, steam and air conditioning supply	20,9	11,6	0,4	0,2	-44,5
E Water supply; sewerage, waste management and remediation activities	7,5	5,9	0,1	0,1	-21,3
F Construction	253,9	296,1	4,6	4,9	16,6
G Wholesale and retail trade; repair of motor vehicles and motorcycles	244,7	173,2	4,4	2,9	-29,2
H Transportation and storage	1502,8	1702,4	27,2	28,1	13,3
I Accommodation and food service activities	45,5	55,2	0,8	0,9	21,3
J Information and communication	612,1	731,4	11,1	12,1	19,5
K Financial and Insurance Activities	174,8	190,8	3,2	3,2	9,2
L Real estate activities	37,4	33,3	0,7	0,6	-11,0
M Professional, scientific and technical activities	360,0	433,6	6,5	7,2	20,4
N Administrative and support service activities	371,6	431,5	6,7	7,1	16,1
O Public administration and defence; compulsory social security	24,1	21,1	0,4	0,3	-12,4
P Education	8,0	9,2	0,1	0,2	15,0
Q Human health and social work activities	22,8	22	0,4	0,4	-3,5
R Arts, entertainment and recreation	29,4	33,1	0,5	0,5	12,6
S Other service activities	35,4	35,4	0,6	0,6	0,0
Economic activity not specified	1283,5	1350,8	23,2	22,3	5,2

Source: Statistics Estonia

3. Measurement issues

The new data source for measuring the foreign trade of services is special scheme for imposing value added tax on electronic communications and electronically supplied services – MOSS (Mini One Stop Shop). As from 1 January 2015 the amendment of the Value Added Tax Act as regards the taxation of electronic communications and electronically supplied services (henceforth digital services) will enter into force. The amendment concerns persons liable to value added tax who are providing electronic communications services (telecommunications and broadcasting services) and electronic services to persons not liable to account for VAT who are established in other European Union Member States. Essentially, the taxation of services provided to persons not liable to account for VAT residing in another Member State will change, as the services provided to persons liable to VAT are currently already being taxed by the recipients of the supplied services in their Member States (reversed charge of VAT). In this context it is important that the supplier of services determines the actual location at which the customer is established (the place of supply) and what evidence he should have to identify the location of the customer. In order to simplify the declaration of digital services provided in other Member States a special scheme for imposing value added tax on electronic communications and electronically supplied services or the so-called MOSS scheme. Use of special scheme is voluntary.

The introduction of the MOSS is seen by business and the majority of Member States as an essential system for the collection of taxes and making compliance as easy as possible. The timely and relatively error-free introduction of 28 individual but intra-connected IT portals now used by approximately 14 000 businesses is a significant achievement.

The MOSS has been very successful in EU with EUR 3 billion paid through it in 2015, representing up to EUR 18 billion in trade and 70% of the total in this sector. This mechanism has saved business EUR 500 million or EUR 40 000 per business compared to the alternative of direct registration (95% reduction compared to the alternative of direct registration), and thus contributed to reducing unnecessary burdens on business.

The VAT data will be used as an additional data source for foreign trade data calculations.

In the future the services exports data will be used for the SPPI calculations too.

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Explanatory notes on the EU VAT changes to the place of supply of telecommunications, broadcasting and electronic services that enter into force in 2015

https://ec.europa.eu/taxation_customs/business/vat/telecommunications-broadcasting-electronic-services/sites/mossportal/files/explanatory_notes_2015_en_0.pdf

Modernising VAT for cross-border B2C e-Commerce

https://ec.europa.eu/taxation_customs/sites/taxation/files/swd_2016_379.pdf