



THE MARKETING MANAGER'S GUIDE TO
AMAZON EU AFTER THE BREXIT TRANSITION
FULFILLED BY AMAZON

Start to prepare NOW for
1st January 2021

BREXIT CREATES CHALLENGES

From **1st January 2021**, the UK will formally **leave the EU's Single Market & Customs Union**

UK-EU negotiations are ongoing, focused on what tariffs, if any, will apply to products moving across the border

It is harder for businesses to move goods across a customs border

Selling on Amazon across UK <> EU customs border will also be impacted

WHAT DOES THIS MEAN?

- To maintain your FBA sales in the EU and UK you will need to send inventory across the border into Amazon Fulfilment Centre's
- To do this you will need to "clear" the custom border, making customs declarations to the relevant customs authorities
- This requires you to provide more information on the products moving across the border

START PREPARING NOW

HOW TO PREPARE



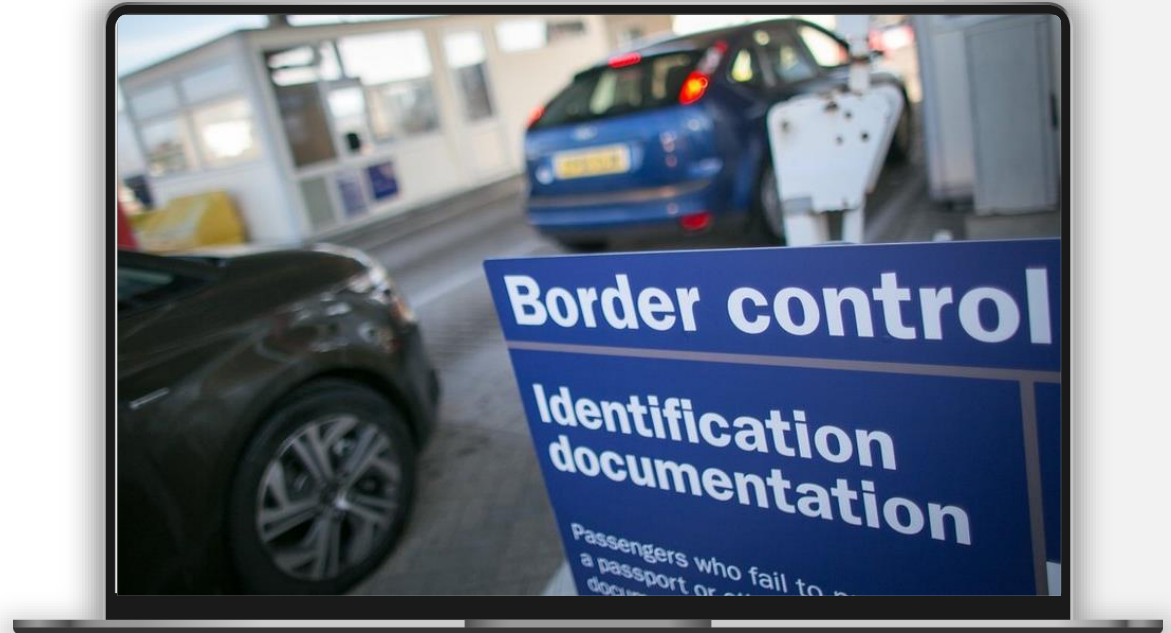
REQUIREMENTS FOR CLEARING A CUSTOMS BORDER

As of January 1st, 2021 you will be required to complete:

1. Export customs declaration for goods leaving the UK
2. Import customs declaration to clear goods into the EU

You, the Seller Partner, will now be considered as both the exporter and importer for those goods and will be responsible for Import VAT and Duties applicable

You may decide to appoint a 3rd Party to make the declaration to EU customs on your behalf



VAT

- This is a critical first step, if you are not already VAT registered in the EU
- Ideally you will register for all EU locales so you can take advantage of PANEU placement across the EU region
- If you want prioritize a single country - preferably Germany
- It can take time for registration to be completed so it is recommended to start this process now
- **Take advantage of the free registration** and filing (across all EU locales) using Amazon's VAT services on Amazon solution
- To move goods across a border and store them locally you will require a VAT number for the country in which you are storing these products
- You can find out more information by following this link: <https://sellercentral-europe.amazon.com/vat-registration/v2/index.html#/welcome>
- Which is Amazon VAT compliance solution that allows you to manage your European VAT registration and filing obligations. We now collaborate with multiple tax service providers to enable VAT compliance in the UK, Germany, France, Italy, Spain, Poland and Czech Republic.
- You are invited to use VAT Services on Amazon FREE for the first year of subscription to handle your VAT registrations and filings. [Learn more](#) about VAT Services on Amazon limited time promotion

EORI NUMBERS

Economic Operators Registration and Identification Number

EORIs are **free** to obtain and are linked to your VAT number for the country where you get them

You will need 2 EORI numbers if you are moving goods across the EU/UK border:

1. To move goods to and from the UK, you need an EORI number starting with GB
2. To move goods to and from the EU you need an EU EORI for at least one EU country. One EU EORI is sufficient for all EU countries

You will need an EORI for the UK and any other EU countries that you intend to bulk move inventory into or out from January 1, 2021. You can find more info on how to get a UK EORI [here](#).

Please find how you can request an EORI number for EU Countries [here](#). If you are only direct shipping goods to EU customers from a non-EU country (including the UK), or vice versa, then you may not need an EORI number to do so. Please contact your logistics agent or tax advisor for further information.

HS CODES

DETERMINE TARIFF/CUSTOMS

HS codes are international nomenclature for product classifications allowing you to:

- Fill in declarations & other paperwork
- Check if there is duty or VAT to pay, including duty reliefs as part of a trade agreements
- You will need to identify and record the HS codes for all products you want to send across the border.
- There is an EU site which is equivalent to the UK site for finding duty rates, but it is preferential to use the UK site. It's exactly the same data but better
- HS codes can be found at the UK Government website and European Commission Market Access Database
- These codes determine the level of duty and import VAT to your products. You can find more information [here](#) for UK and [here](#) for EU Countries.



COUNTRY OF ORIGIN:

Where products were originally manufactured and determine duties payable

- The origin of a good, along with the tariff classification (i.e. HS codes) and the value of the goods are determining factors for the customs duties/tariffs that will be applied to your products.
- If 2 or more countries are involved in the manufacture of a product, the country of origin is defined as the country or territory where the product underwent its last, substantial economically justified processing change
- You should work directly with your suppliers to determine the country of origin for all your products
- You can find more information [here](#) for UK and [here](#) for EU Countries.



IF YOU SOURCE FROM OUT-OF-REGION

Consider shipping directly to the EU & UK to minimize cross-border charges

- Shipping from “**out of region**” to **UK** and then to **EU** will lead to **higher customs clearance and duty costs**
- If this does not work for your full range of products, you may want to consider a **segmented approach** where you:
 - Split inbounds for established product lines and/or supplier relationships
 - Do no split for newer product line and/or supplier until you are confident
- You will need to decide how you want to make customs declarations and whether you will hire a person or business to deal with customs for you.
- You can find more information from the UK Government [here](#) or the [European Commission Website](#). You should speak to your carrier to determine how they can support you in moving goods across the UK-EU border from January 1, 2021.

LICENSES AND CERTIFICATIONS

Confirm if you need:

- Licenses
- Certificates
- Permissions from intellectual-property rights owners



To move your goods across the border:

- The UK Intellectual Property Office (**UKIPO**) has a full list of the Brexit's changes to intellectual property and recommended actions for Rights Owners and businesses on their website

COMMERCIAL INVOICE:

**Required for all freight across UK-EU border,
from 1 Jan 2021**

You must tell HMRC the value of your goods when declaring them for import from outside of the UK. There are 6 ways to work out the value of your goods.

Method 1

This is the 'transaction value' method. It's based on the price you pay when you buy the goods before bringing them to the UK. You must have evidence of the price you pay with your import entry, for example a copy of the seller's invoice.

If they're not already included in the seller's price, you must add the costs of:

- Delivery to the EU border
- Commissions (except buying commission)
- Royalties and license fees, you have paid on the imported goods as a condition of sale
- Containers and packing
- Any proceeds of resale the seller will get
- Goods and services, you give to the seller for free or at a reduced cost – for example – parts you use in the imported goods, or development and design work carried out outside the EU and needed to produce the imports
- Information on **'working out the value of your products'**

<https://www.gov.uk/guidance/how-to-value-your-imports-for-customs-duty-and-trade-statistics>

Typical info on a Commercial Invoice:

- Description of goods
- Product SKU code
- HS commodity code
- Country of origin
- £/€ value of goods being shipped
- Number of units
- Number of type of packaging
- Gross weight (kgs)/Nett weight (kgs)
- Exporter name/address
- Exporter EORI Number
- Delivery address for Amazon FC

A 3RD PARTY (E.G. A CUSTOMS BROKER)

Can help manage the customs declaration process for you

You can hire a business to support you with the customs declaration process:

- Prepare the relevant documentation to customs authorities at the right time
- Ensure information is shared with your carrier as required

Several types of companies provide these services e.g. **Customs agents/brokers, Freight forwarders and Carriers**

There is typically a **flat fee per Shipment of £130 – £180** (export + import clearance) each time you move goods across the border

- They may also charge an upfront fee for initial set-up
- They may ask you to put capital into an Escrow account to cover risk of unpaid duties (as they will be liable for these)
- You will also need to set up facilities to pay customs duties (if applicable)

- There is more info on 3rd party agents, including list of providers can be found on **UK Government and European Commission websites**
- **Amazon's Service Provider Network** has a list of customs brokers – Search for International Shipping services and refine further in **'Value Added Services'** section

INVENTORY REMOVALS

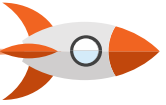
From 14th November 2020, removals orders for EU based inventory will not be processed back to the UK and vice-versa.

To have inventory returned, the following restrictions will apply:

1. To remove inventory from UK FCs, you will only be able to input a valid UK address
2. To remove inventory from EU FCs, you will only be able to input a valid EU address

If you have auto-removals enabled, these returns will only be processed if address is local to where the inventory is stored

KEY POINTS TO REMEMBER



- **START PREPARING NOW** – while tariff negotiations are ongoing, you can start acting now in preparation for the customs border
- **ENSURE YOU HAVE ALL DOCUMENTS READY** – Start by ensuring you have the critical information **VAT, EORI, HS Codes & Licenses**
- **SEEK ADVICE & SUPPORT** – from 3rd party (customs brokers and/your carriers) for the process of clearing the border

ABOUT OPTIMIZON



Founded in
2017



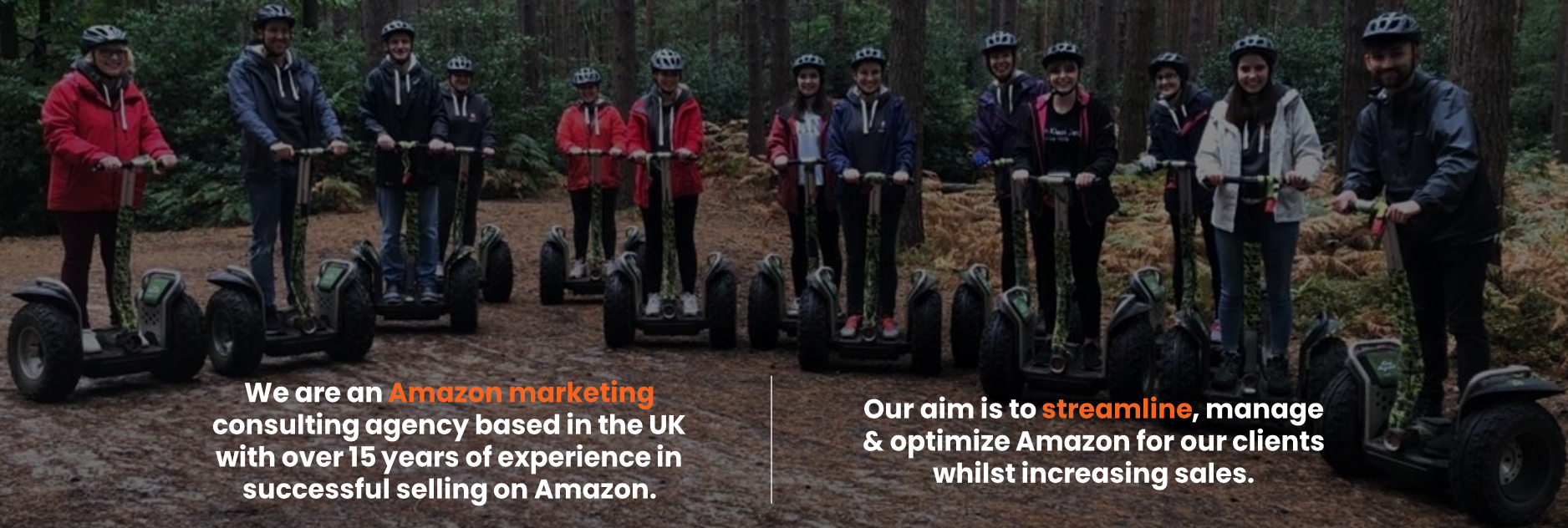
15+
Years
experience



63
Managed
Amazon accounts



15
Employees



We are an **Amazon marketing** consulting agency based in the UK with over 15 years of experience in successful selling on Amazon.

Our aim is to **streamline**, manage & optimize Amazon for our clients whilst increasing sales.

GET IN TOUCH TODAY WITH
OUR TEAM FOR GUIDANCE ON
AMAZON & BREXIT





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