



Amazon Seller Exporting to the United Kingdom

Helpful eBook



Step 1: Getting started ...



- VAT Number Registration

- Exporting to the United Kingdom and Europe and trying to understand their tax laws can feel quite confusing if you have never done it before, but we are here to get you through this simple process, step by step, to ensure your product ends up on the Amazon UK and / or on other European countries quickly and without any problems.
- You will require a VAT (Value-Added Tax) or EORI (Economic Operator Registration Identification) number to import into the UK and Europe, which we can apply for on your behalf with HMRC (Her Majesty's Revenue and Customs).
- The process takes less than 7 days to register for UK VAT and between 7 and 21 days to register for European VAT from the time you register online with us. We can arrange for your products to be shipped during this time so you can start selling on Amazon UK / Europe as soon as possible.
- Cost for UK VAT registration is \$300 and \$500 for other countries in Europe
- The Logistics Plus Global Trade Compliance Department has the experience and knowledge to get your application approved quickly.
- If you would like to register for VAT in other EU countries, please contact amazonretailer@logisticsplus.net

Step 2: Determining the costs



- **Freight Cost + Import Duty + VAT = Total Cost**
 - First, you need to understand what you are paying for and make sure there are no hidden costs.
 - Next, request a quote before your shipment moves. A good freight company will always give you a full quote before they collect so know your financial liability. After all, you need to make a profit on your product.
 - Freight cost will be determined primarily by the shipping mode used. Do you need air, ocean, ground or rail transportation – or some combination thereof?
 - You need to know all of the costs involved, which means you require a **door-to-door rate**. Don't be tricked by how much pickup, handling or fuel surcharge is going to cost. You want on price door-to-door with NO HIDDEN FEES.
 - Remember, air freight is your quickest but most expensive option. Do you all of your products delivered to Amazon at the same time? If not, consider sending your first shipment via air freight, and then your subsequent shipments by ocean freight while your first shipment is being sold (ocean freight can be up to 60% less expensive!).
 - For accurate quotes, be sure to include: Pickup address, number of pallets or cartons, description of goods, total weight, and the dimensions of your pallets or cartons.

Step 3: Determining import duties



- **Freight Cost + Import Duty + VAT = Total Cost**

- Import duty is set by HM Customs in the UK and is calculated as a percentage.
- Duty is charged on the declared value (make sure you only declare the cost value and the retail value) plus the freight costs
- $(\text{Declared Value} + \text{Freight Cost}) \times \text{Duty Rate} = \text{Total Import Duty}$
- To find your duty rate you need the HTS code for your product. If you don't know it, the trade compliance experts at Logistics Plus will help you find it.
- Import Duty Examples:

Description of Goods	HTS Code	Potential Duty
Beauty/Cosmetic Products	3304	Free
Stainless Steel Articles	7326	2.7%
Plastic Articles	3926	6.5%
Clothing	42, 61, 62, 6101-6212	Free to 12%
Toys	9503-9508	Free to 4.7%

Step 4: Determining VAT amount



- **Freight Cost + Import Duty + VAT = Total Cost**
 - VAT is calculated on the Declared Value + Freight Cost + Import Duty amount and the rate is 20% of the total.
 - Remember that VAT is actually not a true cost – you eventually get it back (so regard it as a cash-flow amount).
 - When you sell your product on Amazon you must add 20% VAT to the retail price. This amount is collected by you upon sales, on behalf of the British Tax Office.
 - Every 3 months you must declare to the British Tax Office how much VAT you have collected and this must be paid to them. However, first deduct any VAT you have already paid on imports and send them the net amount.
 - So although you have paid the VAT on importation, you deduct it from the Sales VAT you collect. That is why it is not a true cost.

Exporting around the world



- We make exporting anywhere in the world easy, so ask us if you have additional exporting needs we can help you with



Logistics solutions from A to Z



- We support Amazon Sellers with a global suite of logistics solutions



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Thank you!