



ePost Global's EU Regulatory Changes:

Helping you prepare for what's next

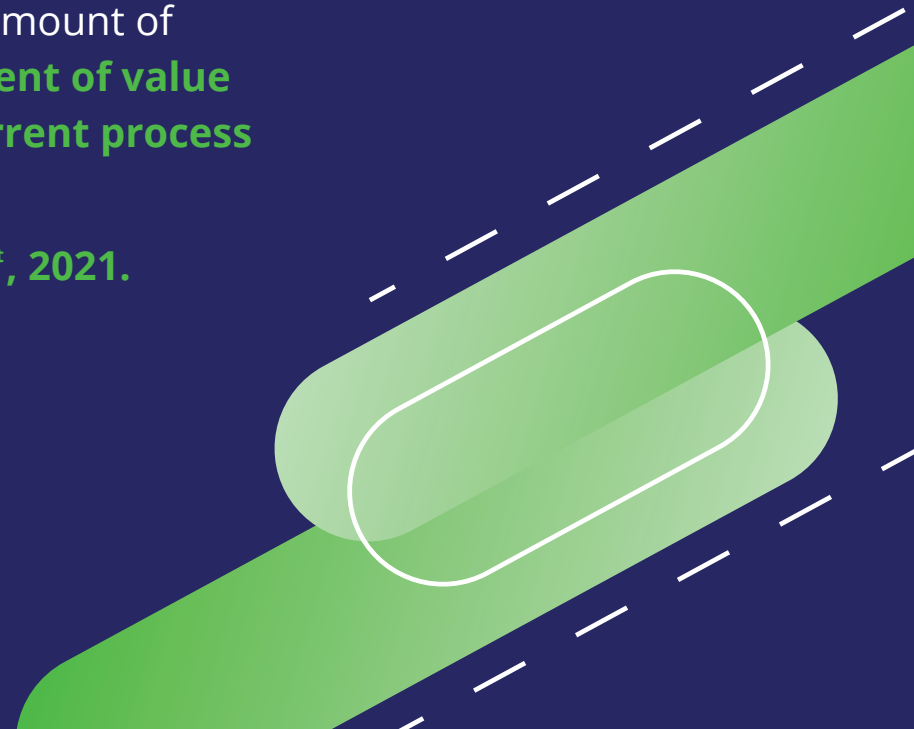


ePost Global's EU Regulatory Changes

At ePost Global, we remain focused on delivering the most competitive pricing, quality of service, and timely delivery. As your trusted partner for shipping, we are here to help you navigate and prepare for the **EU Regulatory** changes to take effect **July 1st, 2021.**

Our goal is to provide you with **all the information and solutions required** to ensure you continue selling and shipping to your customers in Europe without disruption. The European Commission is working to streamline the VAT requirements and collect the accurate amount of VAT by country. **VAT will now be charged from the first cent of value on all e commerce shipments to EU countries vs the current process after 22 Euro in value.**

Changes to the EU VAT scheme will go into effect July 1st, 2021.





ePost Global's EU Regulatory Changes

There are **two options for VAT collection**: Duty at Place (DAP) and Import One Stop Shop (IOSS). Here we have compared the current VAT process with the 2 new VAT process options.

Current VAT Process	DAP Option (New)	IOSS Options (New)
VAT threshold EUR 22	No VAT Threshold	No VAT Threshold
Duty threshold EUR 150	Duty threshold EUR 150	Duty threshold EUR 150
VAT rate of 21% is applicable based on country of import into EU (currently using NL)	VAT rate % applicable will be based on final destination country within EU regardless of import country	VAT rate % applicable will be based on final destination country within EU regardless of import country
DDU: Applicable duty and tax collected from consumer	DAP: Delivery at place, VAT and applicable duty collected from consumer	N/A
Collection fee applicable	5 -25 Euro collection fee applicable	
DDP: Applicable duty and tax at 21% paid at import by EPG and billed back to shipper	N/A	Import One Stop Shop: VAT charged at checkout, settled with tax authority in EU by Shipper



DAP: Duty at Place

- Applicable duties and taxes will be charged to consumers upon delivery
- Collection fee will range from 5 – 25 EUR and will be dependant on final mile carrier
- Keep in mind: this will apply to all shipments as there is no longer a 22 EUR threshold meaning that a 2 EUR item being delivered using this method could result in a 5 - 25 EUR fee to deliver this package in addition to the VAT charge
- Transit times may also increase due to requiring contacting consumer to pay VAT upfront before item can be delivered
- It has been recommended that if using this VAT collection option sellers should clearly disclose to EU consumers within checkout



IOSS: Import One Stop Shop

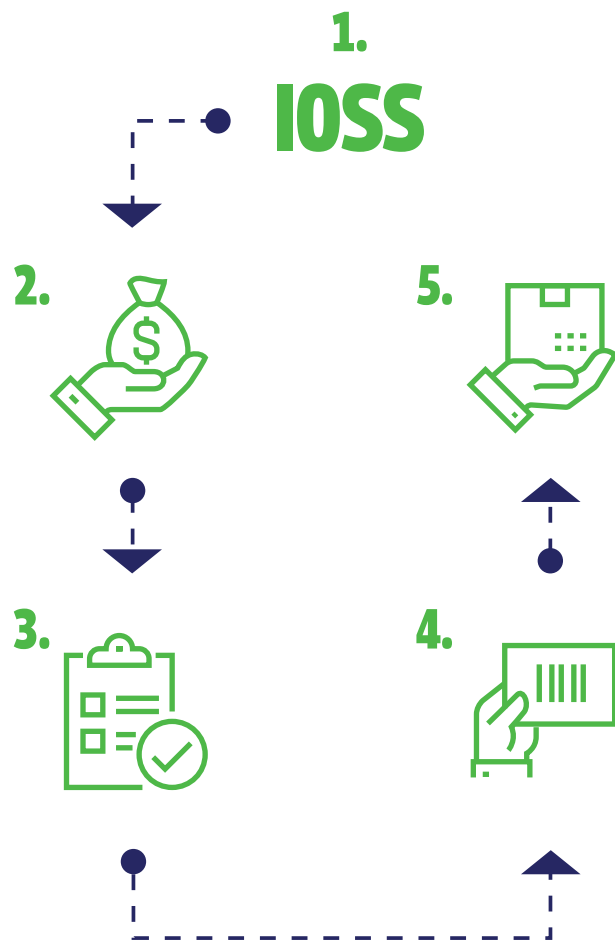
- Consumers pay applicable duties and tax at checkout
- Non-European companies are required to contract an intermediary to handle their monthly VAT return declaration to the European Union via IOSS. The intermediary must be established in an EU member state and must obtain a VAT identification number enabling him or her to act as an intermediary for the purposes of the import scheme (IOSS) for each supplier that he or she represents. It is mandatory to have an intermediary in the same EU Member State for at least two years
- EPG is working with our EU tax consultant to obtain a list of potential intermediaries
- Sellers (or a marketplace) are required to register for the IOSS and remit collected VAT through the IOSS system for shipments under 150 EUR. Registration opens April 1st 2021
- Shipments equal to or greater than 150 EUR will still have current DDP process, duties and taxes will be paid at time of import by EPG and billed back to the shipper

**No additional fees are applicable to consumers for this option.*





Let us help you get started...



1. Decide which option works for you...DAP or IOSS.
2. If you decide to use IOSS, you will need to charge the correct amount of VAT at the check out for your customer in euros.
3. You will need to register for the IOSS solution and select an Intermediary in one of the 27 EU countries to handle the monthly VAT reconciliation. **We can refer you to one of our trusted partners.**
4. Use an HS code to classify your items to ensure you are collecting the correct amount and being charged the correct amount of Duty.
5. EU customers will be aware of the change and you should make sure you make clear which option they will receive when purchasing your goods.



VAT Per Member State

Country	Code	VAT Rate
Austria	AT	20%
Belgium	BE	21%
Bulgaria	BG	20%
Croatia	HR	25%
Cyprus	CY	19%
Czech Republic	CZ	21%
Denmark	DK	25%
Estonia	EE	20%
Finland	FI	24%
France	FR	20%
Germany	DE	19%
Greece	GR	24%
Hungary	HU	27%
Ireland	IE	23%

Country	Code	VAT Rate
Italy	IT	22%
Latvia	LV	21%
Lithuania	LT	21%
Luxembourg	LU	17%
Malta	MT	18%
Netherlands	NL	21%
Poland	PL	23%
Portugal	PT	23%
Romania	RO	19%
Spain	ES	21%
Slovakia	SK	20%
Slovenia	SI	22%
Sweden	SE	25%



DAP Example

A consumer in Germany purchases a T-shirt for €10, that shirt now has 19% VAT applicable. Upon delivery the consumer will be required to pay €1.9 in VAT plus a €5-€25 collection fee. **For this €10 T-shirt the consumer will need to pay between €16.90-€36.90.**

IOSS Example

A consumer in Germany purchases a T-shirt for €10, that shirt now has 19% VAT applicable. The U.S. e-commerce company is registered to use the IOSS system and charged the consumer €1.9 in VAT at checkout. Upon delivery the consumer is not required to pay any additional VAT or Fees. **The consumer paid €11.90 in total for his T-shirt.**



€10

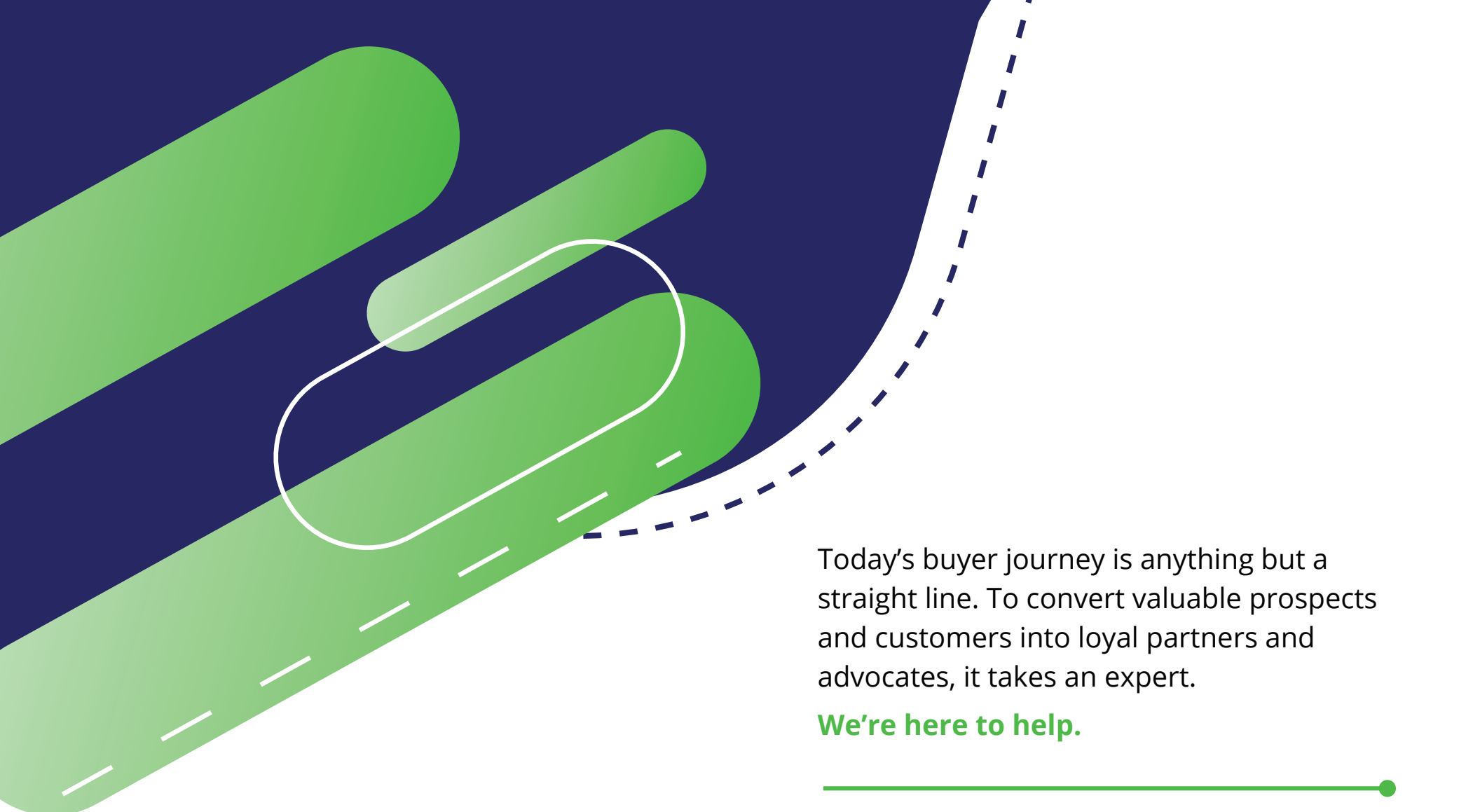
DAP:

Cost of T-shirt:	€10
VAT:	€1.9
Collection fee:	€5-€25
	<hr/>
	€16.90-€36.90

IOSS:

Cost of T-shirt:	€10
VAT:	€1.9
	<hr/>
	€11.90





Today's buyer journey is anything but a straight line. To convert valuable prospects and customers into loyal partners and advocates, it takes an expert.

We're here to help.

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