Customs Clearance and Shipping Services on Amazon

Shipping Guide: UPS AVASK



This guide will teach you how to create and export shipments, manage your shipment, and make payments using the UPS AVASK small-parcel shipping & customs clearance solution for shipping between the UK and EU.

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Introduction

Important: The purpose of this Handbook is to provide end to end guidance on how to use Amazon's Customs Clearance and Shipping Services to send your stock to FBA Fulfilment Centres in the EU.

A basic understanding of the requirements for selling into the EU is necessary to know what selection is eligible before creating a shipment. You can find information on compliance by downloading our UK to EU Cross-Border Shipment Manual <a href="https://example.com/here-en-light-new-manual-en-light-new-m

Why ship cross-border?

Amazon Customs Clearance and Shipping Services simplify the process for shipping inventory across the EU customs border and offers you the opportunity to increase your reach to millions of new customers.

For the UK sellers, you can access 8 new marketplaces and benefit from reduced shipping costs by selling through the <u>Pan-European FBA Program</u>. Through this, by shipping into either France or Germany, you can also start selling in Italy, Spain, Poland, Sweden and Belgium, increasing your customer base.

By storing locally in these marketplaces, you will receive a range of benefits including:

- Local FBA fulfilment fees full breakdown can be found here.
- Eligibility for the Prime badge
- Fastest shipping times to customers
- Eligibility for Pan European FBA check which ASINs are eligible <u>here</u>.

What you need to know about shipping between the UK and the EU

As of 1st January 2021, the UK has now left the EU's Single Market and Customs Union and there is a customs border between the UK and the EU, affecting the movement of goods shipped across the border. What this means is that most sellers will need to use a customs broker as well as freight forwarder to ship between the UK and the EU, to ensure compliance. For more information, go to <u>Check if you're established in the UK for customs</u>.





Amazon Customs Clearance and Shipping Services

Shipping cross-border between the UK and EU

"Selling back into Europe has been a lot simpler with this solution. With a more streamlined approach and being cost-effective for us, it has allowed us to scale up again in the EU"

– Philip, Managing Director of The Golden Bear

We have two small-parcel shipping solutions and one pallet shipping solution that will enable you to inbound directly into an EU FBA Fulfilment Centre when shipping from UK.

The solutions provide the services of third-party service provider AVASK Accounting & Business Consultants, in addition to cross-border freight forwarding with Amazon Transportation Services and UPS. AVASK operate as a fully integrated customs partner to help alleviate the post-Brexit complexities.

There are two small-parcel shipping solutions to choose from:

- 1. <u>Amazon Transportation Services (ATS) AVASK</u> Ship from your warehouse to a domestic Amazon Sort Centre, and ATS will ship the goods across the customs border on your behalf for free.
- 2. **UPS AVASK** Ship with UPS from your domestic storage facility, cross-border between the UK and EU into an FBA Fulfilment Centre and receive partnered carrier rates for the entire shipment. (This guide)

There is one pallet option:

1. <u>UPS SCS AVASK Pallets</u> – Ship pallets with UPS SCS from your domestic storage facility, cross-border between the UK and EU directly into an FBA Fulfilment Centre.

AVASK as a Customs Broker

Given the ever-changing legislation updates in the UK and the EU in the post-Brexit period, it is very beneficial to have a specialist to help you navigate the various components of being customs compliant. A customs broker will be able to assist you with:

- The preparation and submission of documentation required to facilitate your cross-border shipments.
- Being the liaison between yourself and the respective customs authorities or even act on your behalf on onthe-ground inspections at customs.
- Assisting with any additional paperwork that customs authorities may request.

Benefits of integration with AVASK:

- AVASK will provide you with end-to-end customs and brokerage services. AVASK have been working
 alongside Amazon for over 8 years, and alongside customs have great experience with taxation, compliance,
 and EPR.
- AVASK will provide you with **indirect representation**, **brokerage services and customs requirements** for shipping into the UK, Germany and France.
- AVASK has also created a dedicated customs portal for you to use when shipping cross-border, meaning that the shipping process should be smooth and easy.
- AVASK will ensure that your products are checked before your shipments are dispatched, meaning that you can **obtain full guidance and a personal touch to your customs experience**.

Promotion – FREE Account Set Up & Brokerage:

We are currently offering a promotion on our shipping solutions whereby once registered, you will receive: **FREE Account Set up**, **FREE Brokerage** (for first shipment). See T&Cs: ATS AVASK, UPS AVASK, UPS SCS AVASK Pallets.





Compliance

What do you need to ensure your products can be sold in the EU?

You will need to ensure your selection is compliant with new EU regulations before sending cross-border to be stored locally. This includes EPR, WEEE, EU Responsible Person requirements. You can learn whether these are applicable to your selection and how to become compliant in our Compliance Handbook here.

What do you need to start using the shipping solutions?

Once you are sure that your selection is meeting all requirements to be sold in EU marketplaces, for shipping you will need to ensure you have the following information:

VAT Registration:

When storing goods in a warehouse (i.e. Amazon FBA, Third Party Logistics Centres) in the EU you are required by law to register for VAT so that you can declare your sales activity. VAT (Value Added Tax) is chargeable at various rates across Europe, see here for more information.

- You will need to be VAT registered in any countries you are planning on storing in. This means you will need to be VAT registered in the country you are sending stock into.
- You can apply for VAT through Amazon <u>here</u>.
- You can read about VAT compliance and the process for registering <u>here</u>.

EORI Number:

An Economic Operators Registration and Identification (EORI) number refers to the registration of a Customs identification number for non-EU based sellers who intend to ship goods through customs in any of the EU-27 and/or the UK.

- If you import or export in the UK, you will need a UK EORI number.
- If you import or export in Europe, you will need an EU EORI number.
- For shipping UK to EU, you will need just one EU EORI number in any EU marketplace.
- It is likely that you will need both a UK and an EU EORI number.
- AVASK can assist you with applying for an EU EORI number for free as part of your application.
- If applying for VAT through Amazon, you can also apply for your EORI for free as a part of this process.

Power of Attorney:

Power of Attorney A Power of Attorney (or POA) in international trade enables the authorised party (i.e. fiscal representative; customs clearance agent) to act on behalf of its customers (i.e. a selling partner) when required to file customs declaration and represent its customers in cross-border customs clearance tasks. For the ATS AVASK and UPS AVASK solutions, AVASK will be acting as your POA.

A POA has normally a functional use as it may authorise the customs broker to handle clearance tasks such as:

- Process customs clearance paperwork
- Clear an unlimited number of shipments
- Or any other task that may be agreed between the two parties

HS Codes:

Harmonised System (HS) codes (or otherwise HS Nomenclature) are used when goods are exported internationally. HS codes form part of the internationally standardised system of specified code digits for various goods classifications and commodities. It is important to verify an HS code both at an international level but also at the destination customs classification system An example of HS classification is here.





Your product manufacturer and your appointed customs broker could assist you in finding out the correct HS code for your goods.

- A 10-digit commodity code is required for importing into the UK. These codes determine the duties and import VAT for your products.
- Each different ASIN will need to be classified with the correct commodity code. It is important to ensure that you are using the correct commodity code for your items. Both the UK government and the European Commission provide more information.
- You can also <u>download a list</u> of ASINs and corresponding tariff codes, then filter for ASINs that you might have. This list is for guidance only and should be verified with your own research. Amazon does not take responsibility for any incorrect tariff codes.

Country of Origin:

The country of origin determines the customs duties and import tariffs that will be applied. Work directly
with your supplier to determine the country of origin for all of your products and ensure that you are
compliant. For more information, go to the <u>UK government's website</u> and the European Commission's <u>Rules</u>
of origin.

There are two types of country of origin: preferential and non-preferential. Preferential country of origin relates to any free trade agreement (FTAs) supported by duty free arrangements for a number of goods in the bilateral customs status provided that the country of origin status can easily be clarified.

To determine the country of origin status you are required to ensure that the product is wholly produced in one country with no involvement from any other country. Once any other country is involved in the production process duties may be applicable in a preferential country of origin scenario.

There are 4 rules on how to determine the country of origin test: Last, Substantial, Economic and Process:

- Last: the last place that processing took place;
- Substantial: processing took place at a reasonable level;
- Economic: there is added value to the finished product;
- Process: The product should undergo a level of manufacture which transforms the combined materials to that of the finished product often changing tariff heading.

If your product has passed those 4 rules, the 'nationality' (non-preferential origin) of your product will be listed in 1. 'Last'. i.e. GB, FR, IE. This is your country of origin.

Example: If I am selling handbags produced in the UK and I import a handle from China and I incorporate it in my handbag, it is likely that this is not going to alter the country of origin.

Valuation of Goods Methodologies:

Customs valuation of goods refers to the determination of the economic value of goods declared for importation. Such valuation is essential for assessing any customs debt. There are six methods for valuing your goods. The primary method is the transaction value method which comprises the total amount paid (or to be paid) for the imported goods – for more information read <u>Union Customs Code</u>.

Commercial Invoice:

A commercial invoice is issued by the exporter (i.e. manufacturer of your goods) for the importer (Selling Partner) and outlines the description of the purchased goods, the actual event of the purchase of the goods in question, the cost of goods and the details of the producer and the intended buyer.

For the ATS AVASK and UPS AVASK solutions, AVASK will use the information you provide to them on the above points to fill out a commercial invoice on your behalf.





Registration for Amazon Customs Clearance & Shipping Services

Account Set Up:

If you have checked the terms and conditions and want to take part in this promotion, start by filling out this form.

You will be able to indicate on this form that you are looking to use the UPS AVASK solution. Please note:

- You can only be active on one small-parcel solution at one time (you can request to switch solution using this form).
- You can be active on the UPS SCS Pallet solution at the same time as being active on one small-parcel solution. If already on ATS AVASK or UPS AVASK and you want to enable Pallets, please complete <u>this</u> registration form.

This will signify to AVASK that you are looking to use the desired solution and they will set up your customs account. AVASK will then reach out via email to confirm that the account is ready to use (can take up to 5 business days).

You will need the following information to complete the onboarding survey:

- Merchant Token (To find your Merchant Token, make sure you are signed into your **UK** Seller Central
 account and click <u>this link</u>. Copy and paste the "Merchant Token" into the box below, for example A190DUARU0OG94)
- Entity Name
- Primary contact Telephone number
- Primary contact Email Address
- Company Registration Number
- Primary contact person First Name
- Primary contact person Last Name
- Registered Business Address, including:
- Street Name
- Town/City
- Post Code
- Country of Incorporation
- GB EORI
- EU EORI
- UK VAT Number
- France VAT Number (if you have one)
- Germany VAT Number (if you have one)
- Are you using Postponed VAT accounting? (UK Import Specific)
- Which country are you looking to send your products?
- Proof of address
- Proof of identity
- POA's for Imports & Exports (Specific to the lane being used)

Broker Onboarding:

Once you have received confirmation from AVASK that your customs account is set up, you are ready to onboard. Onboarding time is less than 5 days. If you complete all information correctly, we expect this to be 1 day.

If you have any questions before or throughout this process – please contact AVASK directly at: pcppromo@avaskgroup.com

Or book in a 1:1 call with an AVASK Account Manager here.





UPS AVASK - Overview

What is the UPS AVASK solution?

The UPS AVASK shipping solution allows you to ship from the UK directly into an EU FBA Fulfilment Centre in France or Germany. Using the '<u>send to Amazon</u>' workflow on Seller Central the integrated customs portal, you benefit from a seamless shipment creation process. You will also have support from AVASK for customs clearance.

Active shipping lanes:

- UK to Germany
- UK to France
- Germany to UK
- France to UK
- Spain to UK
- Italy to UK

Rates:

Customs Brokerage Fees:

Service	Rate	Amazon Promotion*	To be paid by Selling Partner
Account Set Up (one time)	€0	€0	€0
Indirect Representation (annual)	€200	€0	€200
Customs Brokerage Fees (per shipment)	€60	First shipment FREE*	€60

^{* (}valid till 31/12/24) If you have never shipped with us before (ship within 3 months of onboarding) – $\frac{T\&Cs\ here}{T}$

Transportation Fees:

Transportation from your domestic warehouse to the cross-border FBA Fulfilment Centre is a partnered carrier shipment and the cost can be viewed on the shipment creation stage of your shipment.

Promotion – FREE Account Set Up & Brokerage:

We are currently offering a promotion on our shipping solutions whereby once registered, you will receive: **FREE Account Set up**, **FREE Brokerage** (for first shipment). See T&Cs: <u>UPS AVASK</u>

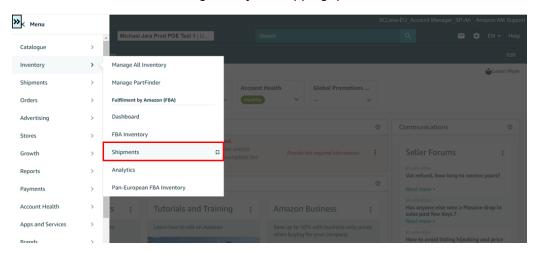


UPS AVASK – Creating a Shipment

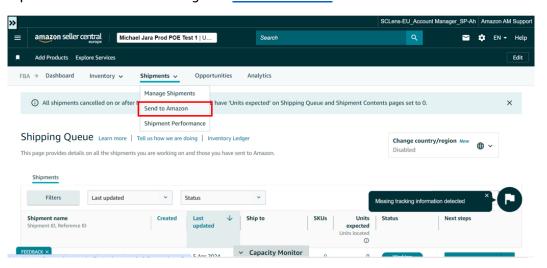
The following pages walk you through the steps to create a shipment using the UPS AVASK solution. This will show you a UK to EU shipment.

Step 1: Create your shipment on Seller Central:

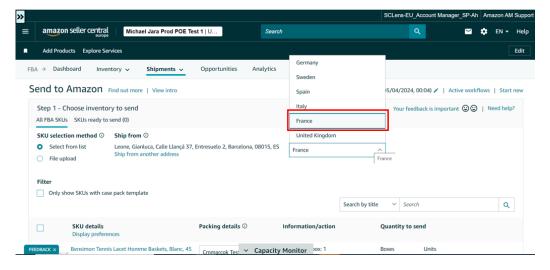
Log onto your Seller Central account, and navigate to your shipping queue



Create a new shipment on Seller Central using the "Send to Amazon" workflow.



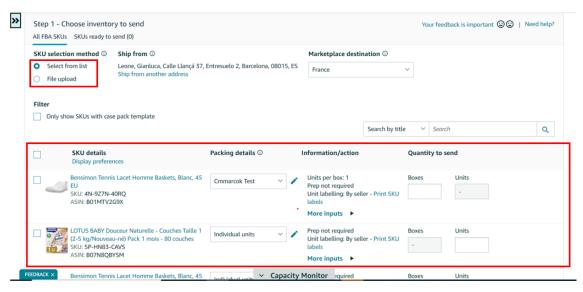
Select 'Marketplace Destination' as France or Germany.



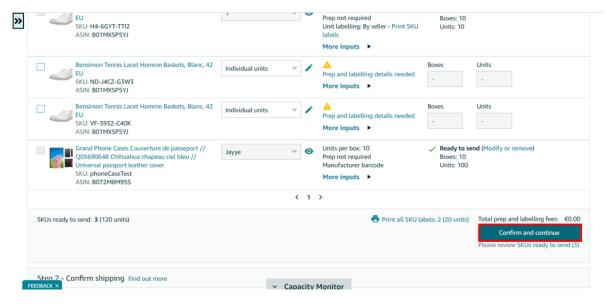




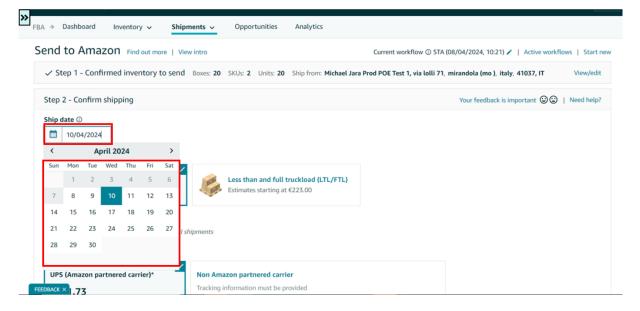
Select stock to send in this shipment. You can do this by either selecting 'Select from list' and adding in quantities from the below list. Or, by selecting 'File upload' and using the template provided.



Once you are happy with your inventory selection, select 'Confirm and continue' to proceed to next stage



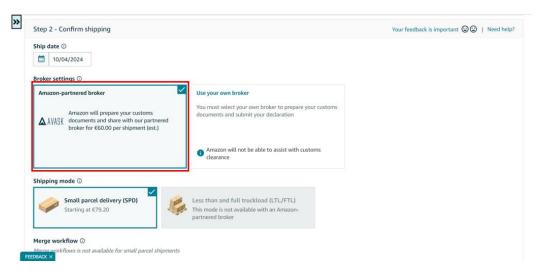
Select the date you are planning to send your shipment.



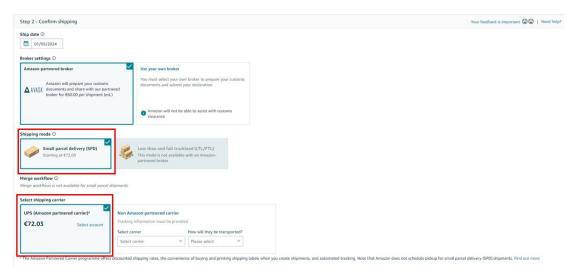




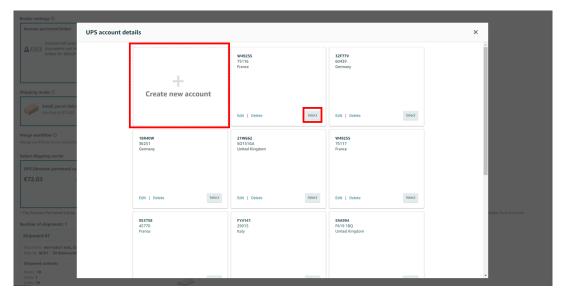
Select your broker. For this service, you should be onboarded already and see your broker appear as an option in a 'Amazon-partnered broker' box.



Select 'Small parcel delivery (SPD)', and then 'UPS Amazon Partnered Carrier. At this stage you should also be able to view the freight costs for your shipment.



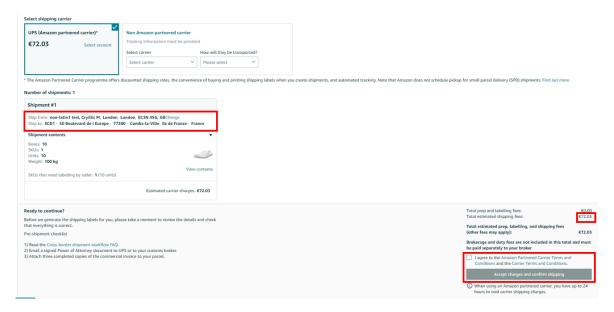
When shipping with Amazon Partnered Carrier, you will need to have set up your account and linked this on Seller Central. Click on 'select account' in the UPS (Amazon partnered carrier box). Here, either select which UPS account you would like to use, or set up a new one by clicking 'Create New Account'.





Once UPS Account is selected, check that the shipment summary box looks correct. Your ship to address should be the cross-border destination FBA Fulfilment Centre. If all correct, confirm your delivery window and click 'Accept charges and confirm shipping'.

Please note: you will also be able to see the estimated UPS Partnered Carrier shipping costs for your on the bottom right.



Step 2: Provide customs compliance information:

You are now on the stage of shipment creation where you can provide your customs information. You can submit this directly to your broker through Seller Central, and any information inputted and approved will be saved for future shipments.

You can now add in SKU specific customs information. Please refer to this <u>Customs Clearance Guide</u> for walkthrough on how to complete this step.

- 1. Edit Compliance here you will add SKU level compliance information
- 2. Once complete, you can click 'Send To Broker' for your Customs Broker to review.
- 3. You can check on the status of your customs information in step 2 as this shows whether your shipment has been approved by your Customs Broker.





Step 3: Print Amazon box labels

Once your shipment has been approved by the broker, you can print your box label(s). Ensure that there is a label on each parcel.

You will only be able to print these labels once your customs compliance information has been approved by the Customs Broker.

Step 4: Book your collection and pack your shipment

Box dimensions follow Amazon's <u>small-parcel quidelines here</u>. (box dimension is restricted to 63.5cm per side; box weight restricted to 23kg).

Download the box label(s) and ensure:

- Label address is the destination FBA Fulfilment Centre
- In the presence of QR code

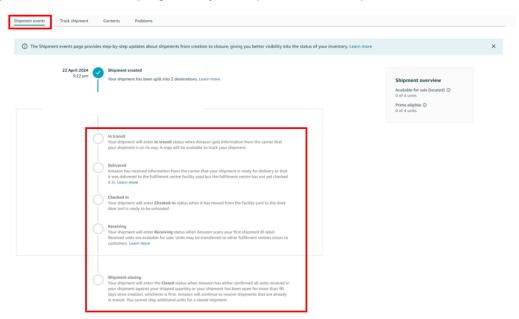
Print box label(s) from Seller Central and add label(s) on each box.

Arrange the shipment's pickup with UPS. Read the UPS pickup documentation.

Step 5: Track your shipment

You will be able to track the progress of your shipment through the Send To Amazon Workflow.

If you would like to check the status of your shipment at any time, go to your shipments, select this shipment using the FBA ID/shipment name, view the progress of your shipment in the 'Shipments events' tab.



Step 6: Pay your Broker

Payment procedure: For customs brokerage and duties, you will receive an email from your broker after shipments have been completed to process payment.

Payment deadlines: The payment for your Customs brokerage and duties are paid by the broker at the time of declaration. It is therefore critical that you process payments after the shipment has been cleared to avoid delays and ensure future shipments are not blocked due to non-payment of previous shipments.

Penalties for Late Brokerage Payments: Currently no penalties are applied for late payments. However, it is advised that you clear payments with your broker at the earliest. Brokers will reject future shipments if dues on previous shipments haven't been cleared



FAQs:

FAQ1 - How can I prepare for Amazon Customs Clearance and Shipping Services between the UK and the EU?

The following information will be required before you can create a shipment:

- Registered VAT numbers in the destination marketplace where you plan to send inventory
- An EORI number for both the UK and one EU country (apply here for free)
- Tariff (HS) codes for products
- Product customs value information (view <u>UK guidance</u> and download <u>EU guidance</u>)
- Country-of-origin information
- An import reference number, provided by the carrier

FAQ2 - How long does it take to onboard onto the UPS AVASK solution?

The process takes maximum 5 business days after you have registered. Please ensure to have everything listed in the onboarding section to guarantee a smooth onboarding process.

FAQ3 - Are there any product categories ineligible to be shipped?

Yes. Any product category that requires additional steps at the border (i.e. medical items) are not able to be shipped through these solutions. Hazmat items are also excluded. Please refer to this page to understand product restrictions in full. You will also need to ensure any products being sent fit within the dimension restrictions for parcels (see above).

FAQ4 - Am I able to register for pallets and parcels at the same time?

Yes. You can be onboarded onto both a parcel solution and the pallet solution at the same time. If not on any Customs Clearance and Shipping Services solution on Amazon you can register for both a parcel solution and pallet solution together using this form.

FAQ5 - How can I switch solutions or deregister?

You can switch or deregister by filling in <u>this form</u>. The process can take 5 business days and you will receive confirmation via email once this has gone through.

FAQ6 - Are there any limitations to the number of parcels I can send through UPS AVASK?

Yes – you are limited to 200 parcels shipped in one shipment.

Also note that if you are sending more than 50 parcels in one shipment, you will need to phone UPS directly to organise the pick-up. This is so they can ensure the collection has enough space for your parcels.

FAQ7 - Can I escalate any issues I am having with a shipment?

Yes, if you are having any issues with your shipment, you can contact: pcppromo@avaskgroup.com.

FAQ8 - Am I being charged an admin fee for the payment of VAT and duties?

No, you will be paying AVASK back the exact same amount they have paid at customs

FAQ9 - How will the VAT and customs duties be paid to the customs authorities?

AVASK will pay any import duties and import VAT (where applicable) on your behalf. AVASK will then invoice you directly.

FAQ10 - How will the import VAT payment happen (UK to DE)?

19% up-front VAT payment (reclamation period is up-to 1-year)



FAQ11 - How will the import VAT payment happen (UK to FR)?

Can be deferred as shipment enters EU through FR, if correct procedure is followed no payment needed at a later stage

FAQ12 - Am I being charged an admin fee for the payment of VAT and duties?

No, you will be paying AVASK back the exact same amount they have paid at customs.

FAQ13 - On the UPS AVASK promotion, why can I see some RTS (Returned to Sender) from my shipment?

This occurs when one of the following is true:

- The shipping label or physical copy of the commercial was not affixed.
- · Specific to Germany: The EAD is missing
- A required certificate was missing this is applicable to certain type of goods.

FAQ14 - How can I do if my shipment is Returned?

If your shipment is returned, you should automatically receive a refund from UPS for the transportation fee (via Seller Central). The brokerage fee can also be refunded by AVASK.

To request the brokerage refund, e-mail <u>pcpshipments@avaskgroup.com</u> with the FBA reference and the reason why a refund is required (goods have been returned).

FAQ15 - When I book from the UK to Germany, I sometimes receive an FBA address in Poland, Can I still ship?

Yes. When you follow the correct process to create your shipments, (as explained above) you will need to have your end destination as the address given by Amazon on the send to Amazon workflow

Resources to learn more

Contact information for support teams:

How to get support from AVASK and their contacts details:

- You can book in a call with an AVASK Account Manager <u>here</u>.
- You can reach out directly to AVASK via email here: pcppromo@avaskgroup.com

Registration Links:

- Register for the UTS AVASK solution here
- Switch from ATS AVASK to UPS AVASK here

Seller Central Pages:

- Customs Clearance and Shipping Seller Central Page
- ATS AVASK Seller Central Page UK
- UPS AVASK Seller Central Page UK
- Compliance Page

T&Cs:

- UPS AVASK T&Cs
- AVASK T&Cs

Amazon Customs Clearance & Shipping Services Handbooks:

- Customs Clearance Guide (Manage Your Compliance)
- ATS AVASK Small-Parcel Shipping Guide
- UPS SCS AVASK Pallets Shipping Guide

EU Selling Handbooks:

- PanEuropean FBA Handbook
- VAT Handbook
- Compliance Handbook





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