

Preparing your Amazon Business for Brexit: **A Practical Guide for Selling Partners**





Preparing for Brexit: Recommended Checklist

- Decide how you will sell into EU from January 1, 2021 (i.e. FBA, MFN or both)
- Complete VAT registration for ALL countries of inventory inbound and/or storage
- Onboard with a customs broker, in preparation for customs declarations
- Register for both a UK and EU EORI number
- Obtain 8-digit commodity codes and country of origin info for goods, ready for export
- Ensure listing information is accurate and compliant against commodity codes
- Obtain licenses, certifications, and/or permissions from IP rights owners, where required
- Enable Multi-Country Inventory Settings in Seller Central



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1.0 Introduction

1.1 Implications of Brexit on European Selling

Amazon is committed to supporting your business selling in the UK and across Europe. On **January 31, 2020**, the UK left the EU and entered a transition period, maintaining existing arrangements until **December 31, 2020**; negotiations are ongoing, including determining what tariffs, if any, will apply. The UK is due to formally exit the EU's Single Market and Customs Union on **January 1, 2021**.

From **January 1, 2021**, there will be a customs border between the UK and EU, which will have an impact on businesses working across this border.

This will have the following impact for Amazon FBA Selling Partners:

- From **December 18, 2020**, **Pan-European FBA** inventory transfers will stop between the UK and EU. Pan-European FBA inventory transfers will continue within the EU region, supporting your sales on Germany, France, Italy and Spain stores. Pan-European FBA inventory already placed in EU **before December 18, 2020** will continue to fulfil EU orders and Pan-European FBA inventory in the UK will continue to fulfil UK orders.
- From **December 21, 2020**, Cross Border Fulfilment via **European Fulfilment Network (EFN)** will start winding down, stopping in full on **December 28, 2020**.
- From **November 14, 2020**, Inventory removal orders for cross-border inventory will stop i.e. removing inventory from UK fulfilment centres to EU addresses and from EU fulfilment centres to UK addresses.

This will have the following impact on MFN Selling Partners from January 1, 2021:

- **MFN** orders (Seller-Fulfilled orders where the Selling Partner is using a third-party carrier) can continue to be fulfilled across the UK-EU border. However, MFN Selling Partners will be required to provide additional information [section 4.0]. 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**.

We remain committed to supporting your business selling in the UK and in the EU as we make this transition, and we will continue to provide the latest information to support you and help your business thrive in the future.

Keep track of all Brexit-related communication and alerts regarding your Amazon business [here](#).

1.2 Safeguarding your EU Sales from January 1, 2021

As a selling partner on Amazon, you have two options for fulfilling your orders: your non-prime **Merchant Fulfilled Network (MFN)** and our **Fulfilment by Amazon (FBA) programme**. The next sections of this guide will explain how you can effectively prepare your Amazon Business, ensure you are compliant with VAT obligations and the requirements of a new customs border; starting this process today will help reduce the risk of delays.

To mitigate the impact of these changes for FBA, you should consider splitting your inventory and sending it to a fulfilment centre in the UK and a country in the EU, so that you have sufficient stock either side of the new customs border. You can protect your European sales by inbound to both the UK and EU FC networks with **Multi Country Inventory (MCI)** and even leverage Pan-European FBA. These programmes can maximise your sales across Europe, by placing inventory closer to customers and qualifying your listings for accelerated shipping options.

Please note that you may be required to be VAT registered in the countries in which you inbound or store inventory. Find out if you should register for VAT [here](#).

To safeguard your European MFN sales please [jump to section 4.0](#).



1.3 Pan-European FBA

Pan-European FBA remains the most effective way to maximise your European selling; the programme will continue to proactively transfer inventory across mainland Europe and optimise sales, by placing your inventory closer to customers ([Learn more here](#)).

Pan-European FBA also provides significant cost-savings by charging domestic fulfilment fees for your sales in each country; you will save the cross-border fees associated with using EFN and MCI. If you already sell into European Stores via EFN, you can view your predicted cost-savings with our cost-saving tool¹.

Key Benefits of Pan-European FBA

- ✓ minimise your inbound costs, by only inbound to ONE store in mainland Europe
- ✓ products will be locally placed, to maximise your sales; customers see quicker delivery promises
- ✓ stock proactively transferred across mainland Europe, to rebalance inventory and optimise spread
- ✓ avoid cross-border fees and pay only domestic fulfilment fees on all items sold



2.0 Preparing for a Customs Border

To prepare your business for a customs border and safeguard your European selling capabilities, you can start taking the following steps to ensure you are ready for **Multi-Country Inventory (MCI)**. You should speak with your carrier to determine how they can support you with moving goods across the UK-EU border from **January 1, 2021**.

The **UK Government has announced a grant scheme** to support businesses who want to make declarations themselves. If you decide not to use an intermediary, you will be required to make declarations yourself; to do this you will need to get access to HMRC systems and to purchase software.

Next Steps:

Register for VAT for countries of import and/or inventory storage

Consider using a customs broker to support with customs clearance

Prepare future shipment documentation

¹ The cost-saving estimation is derived from the cost difference between the European Fulfilment Network fee (which includes a cross-border fee), and the domestic fee which you will be charged for any ASIN registered on Pan-European FBA. This estimation is a forecast of your potential savings, based on your historic sales performance. The estimation only considers fulfilment fees, not storage fees or referral fees across marketplaces.





2.1 Registering for VAT

2.1.1 Managing European Taxes (VAT)

VAT compliance will continue to be important for your business after January 1 2021; all UK businesses will continue to be required to be VAT registered in each EU member state in which they inbound and store goods ([Visit our VAT Knowledge Centre](#)). Meeting these registration requirements is easier than you think; we have tools to help reduce the complexity and achieve VAT compliance. Find out if you should [register for VAT here](#).

2.1.2 VAT Services on Amazon

[VAT Services on Amazon](#) is a VAT compliance solution that allows you to manage your European VAT registration and filing obligations. VAT Services on Amazon allows you to spend more time on your business and less on VAT. With VAT Services on Amazon, you complete VAT registration, filing and submission in Seller Central for just €400 per year. We now collaborate with multiple tax service providers to enable VAT compliance in UK, Germany, France, Italy, Spain, Poland and Czech Republic. [Learn more here](#).

The time it takes to become VAT registered can vary. To avoid delays, we recommend that you start the process as soon as you register your EU seller account.

2.1.3 2020 Promotion: Free 12-month Subscription

Get started with VAT Services on Amazon today and you can expect to receive your first 12 months free². For selling partners already working with a tax agent, you can also benefit from our ongoing promotion by signing up to VAT filings.



We will provide the first year of service free² – which includes VAT registration and filings

**Special
Promotion**

2.2 Onboarding with a Customs Broker

To prepare for the customs clearance process, you should onboard with a customs broker. Your customs broker will help your goods clear through customs; you can hire a broker to act as a direct or indirect representative. You can find out where to get help with your customs [here](#), including a [List of Customs Brokers and Fast Parcel Operators from January 1, 2021](#). You can also find a provider through [Amazon's Service Provider Network](#).

The entire onboarding process from application submission to approval varies between service provider and country of import; you should start this process early, to avoid delays. To onboard with a customer broker, you should be prepared to provide:

- VAT Numbers [section 2.3]
- EORI Numbers [section 2.1.1]
- Official Seller and Business Names
- Business Registration Documents
- Photo Identification
- HS Codes for your goods (you should talk with your customs broker, to find out how they can assist)

² See Terms and conditions to one-year free subscription to VAT Services on Amazon [here](#).



2.2.1 Registering for EORI

You will need to obtain **both a UK and EU EORI number** (Economic Operators Registration and ID number) for January 1, 2021, to move goods between the UK and EU.

For the UK, you can start the step-by-step process of getting an UK EORI number **by visiting here**. The process takes 5-10 minutes and you can usually receive your EORI number within 5 days. **Please note:** this process can be subject to delays, when demand increases. If you already have an EORI, you will need to ensure that it starts with 'GB' to move goods in and out of the UK from January 1, 2021. You should apply for a new one if your current EORI number does not start with 'GB'.

You can find out how to register for an EU EORI number **here**. One EU EORI number will be sufficient for all EU countries.

You should be prepared to provide:

- VAT Numbers and registration dates (these are on your VAT registration certificate)
- National insurance number (if you are registering as an individual/sole trader)
- Unique taxpayer reference (UTR) – **find your UTR number here**
- Business start date and Standard Industrial Classification (SIC) code - these can be found in the **Companies House register**
- Government Gateway user ID and password (this will need to be for the business/organization or your own, if applying as an individual/sole trader)

Please note: If you are a UK or EU selling partner using MFN, you should speak with your post or parcel company, to understand whether you require EORI number(s), from January 1, 2021.

2.3 Preparing your Shipment Documentation

For future shipping, you will be required to share the following documentation with your customs broker; this information is transferred to customs authorities via Electronic Data Interface (EDI).

The following information determines customs duties:

1. The value of the goods (**Find out more here**.)
2. The customs tariff to be applied (**Find out more here**.)
3. The origin of the goods (**Find out more here**.)

You will therefore need to provide:

- Packing List (contains product description, weight, measurements, buyer and seller and seller references)
- Bill of Lading
- Commercial Invoice of Shipment; to include HS codes [section 2.2.1] and custom value for individual goods
- Country of Origin Information

Please note: additional documentation may be required to validate HS classifications and customs values.

Your customs agent/carrier will provide:

- Import Customers Reference Number (provided by carrier)

2.3.1 Recording Harmonised System (HS) Codes

HS codes determine the tariffs and other import measures (including VAT) that apply to the customs value of goods shipped. In line with the **International Harmonised System** (an internationally standardised system of names and numbers to classify traded products), you should identify and make a record of the HS codes for each of your products. You can identify these **HS codes here**. You can search by keyword, to identify these 8-digit codes for each of your products.



2.3.2 Providing Country of Origin Information

You should work with your supplier to determine the country of origin information for each of your products (find out how countries of origin are defined [here](#)). If a trade agreement exists between the EU and UK, this will determine whether your goods may [qualify for preferential treatment](#) e.g. reduced or zero rates of duty. You can find out more about how to prepare your goods for export [here](#).

3.0 Shipment and Inventory Management

3.1 Enabling Multi-Country Inventory (MCI) Settings

To prepare for MCI, you can enable [MCI Storage](#) in your FBA settings. By enabling these settings, you authorise Amazon to store and move any of your FBA inventory within the countries selected, independent of your inbound shipments³. You can [find out more about the MCI programme here](#).

How to enable MCI storage:

1. Select an additional "Marketplace destination" country in the shipping workflow:
 - a. Go to your [Manage FBA Inventory](#) page.
 - b. Tick the checkbox next to the products you want to send/replenish and click Go.
 - c. Click on the drop-down menu under Marketplace Destination and select the country that you want to enable under the Dispatch To and Enable Storage In section.
 - d. Review the Multi-country Inventory Terms and Conditions and accept these by clicking on the Continue to shipping plan button.

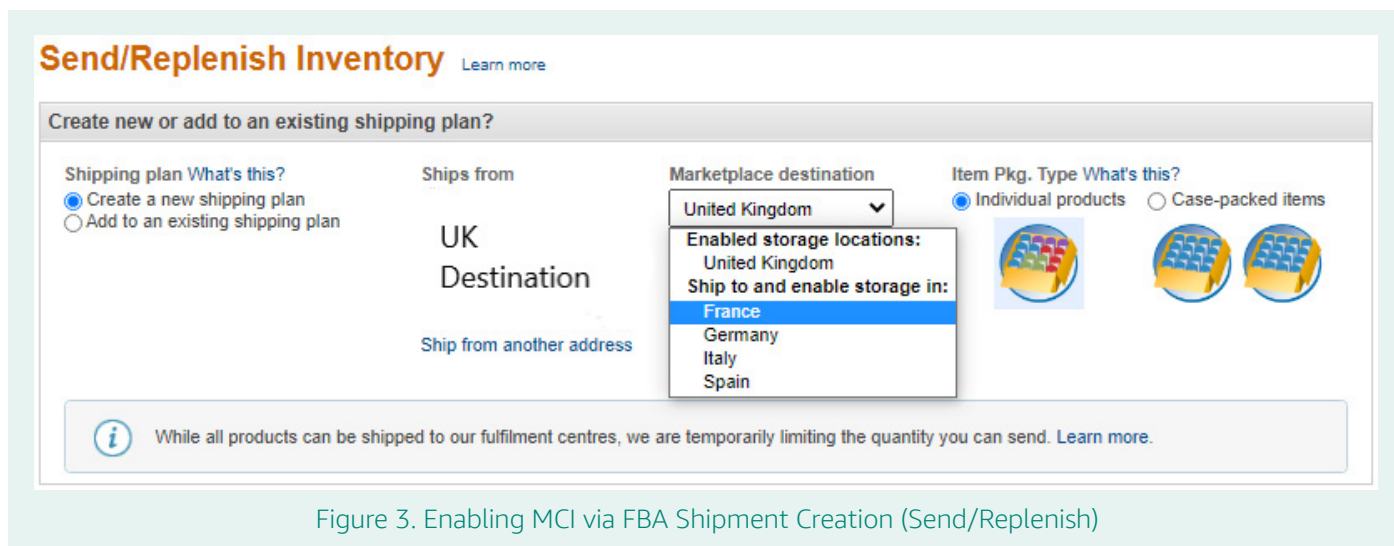


Figure 3. Enabling MCI via FBA Shipment Creation (Send/Replenish)

OR

³ By enabling storage in an additional country, you confirm that there are no legal restrictions in storing your FBA inventory in the selected countries. Storing Units in an additional country to your home marketplace country will trigger additional VAT registration and reporting obligations for your business (as well as other reporting requirements such as Intrastat).



2. Select additional countries in the "Allow inventory to be stored in other countries" section of your FBA settings:
 - a. Click on Settings > Fulfilment by Amazon in the top-right of your seller account.
 - b. Click the Edit button on the right-hand side of the Cross-Border Fulfilment Settings section.
 - c. Tick the checkbox for each country to which you would like to ship and store inventory.

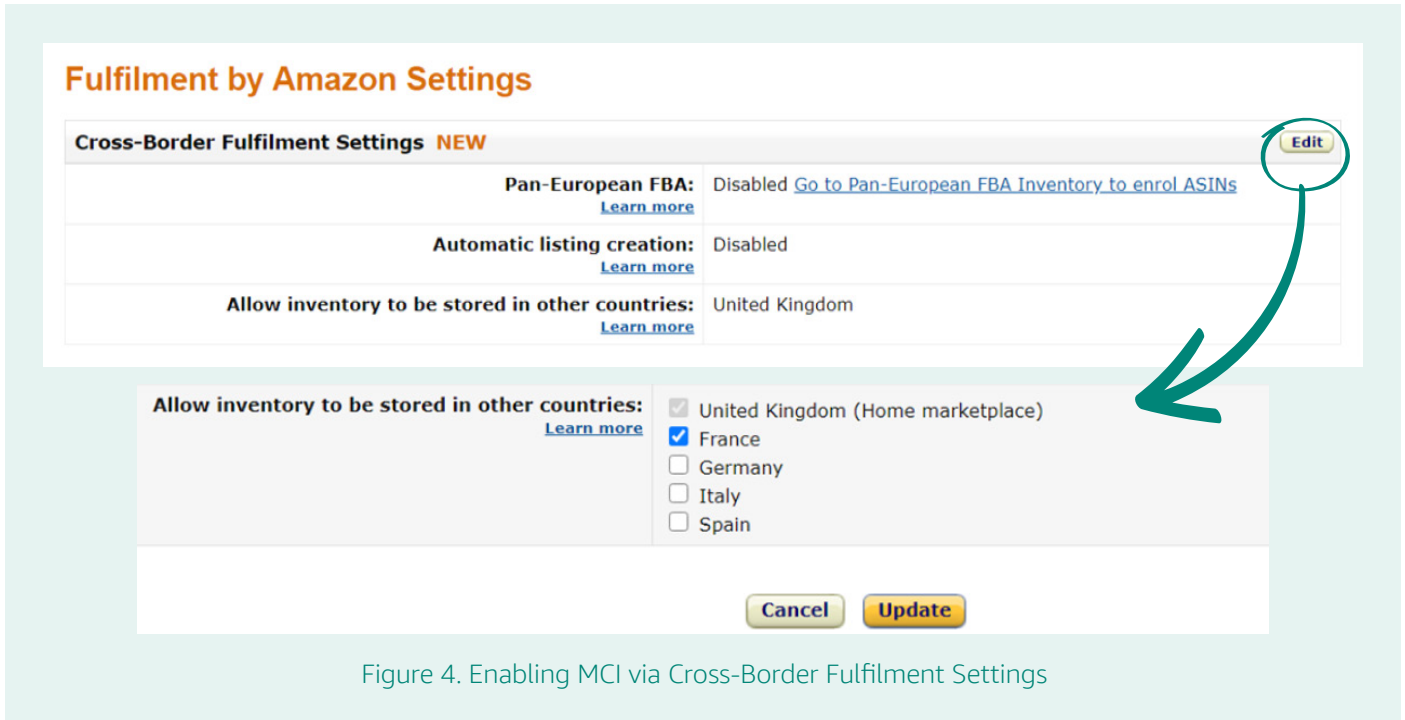


Figure 4. Enabling MCI via Cross-Border Fulfilment Settings

3.2 Shipment Creation: Multi-Country Inventory (MCI)

There are three ways to create a shipment: manually replenish from your Manage Inventory Page, Send to Amazon or Bulk Upload.

3.2.1 Send to Amazon

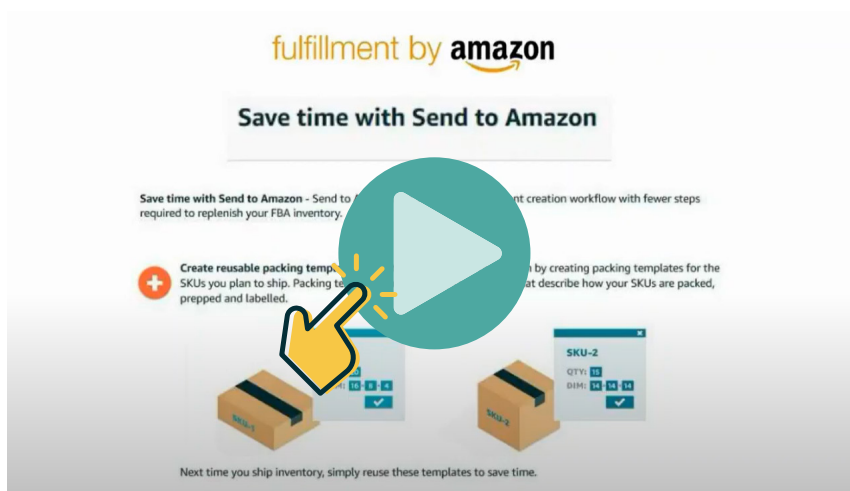


Figure 5. Send To Amazon: Shipment Creation [Video]

When you are creating a new shipping template with **Send to Amazon**, you can modify the shipment destination by changing the Marketplace destination, following the dropdown in **Figure 6**.



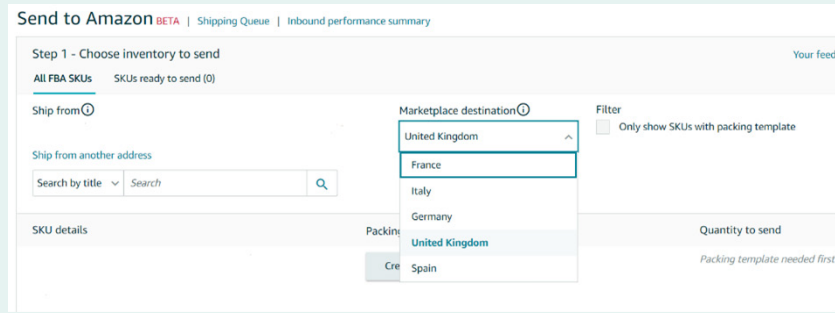


Figure 6. Send To Amazon – Changing your Marketplace Destination

3.2.2 Creating Shipments in Bulk

If sending shipments in bulk to EU, you can use a [Shipping Plan File](#).

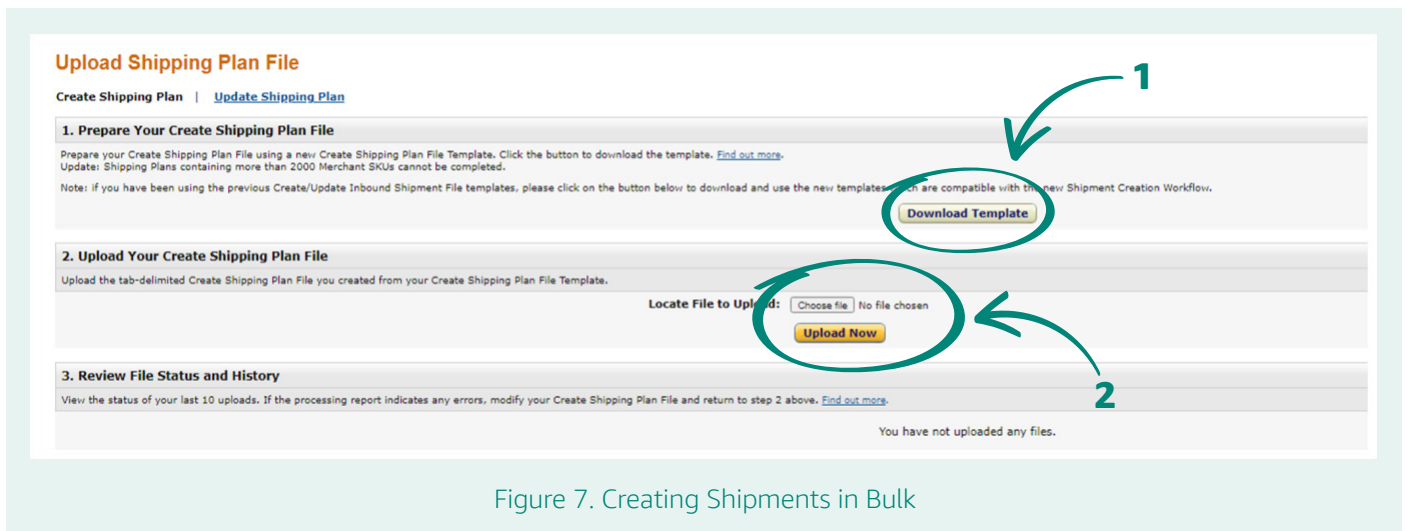


Figure 7. Creating Shipments in Bulk

1. Seller Central > Inventory > Manage FBA Shipments > Upload Shipping Plan File > Download Template [See **Figure 7**]
2. Fill in Shipping Plan File
3. Enter chosen Ship to Country **Please note:** if no value is given, the default will be the country of your home marketplace. (Enter GB for United Kingdom, DE for Germany, ES for Spain, FR for France, IT for Italy.)
4. Go back to Seller Central > Inventory > Manage FBA Shipments > Upload Shipping Plan File > Choose File > Upload Now [See **Figure 7**] proposed

3.3 Inventory Management

3.3.1 Inventory Planning: The Restock Inventory Tool

The [Restock Inventory Tool](#) provides recommendations on products to restock, suggested replenishment quantities, and ship by dates. You can customise your restock recommendations by configuring your inputs, such as lead-time and case pack quantities. The restock tool helps you keep track of your inventory levels so that you can maximise sales by meeting product demand while avoiding overstock situations.



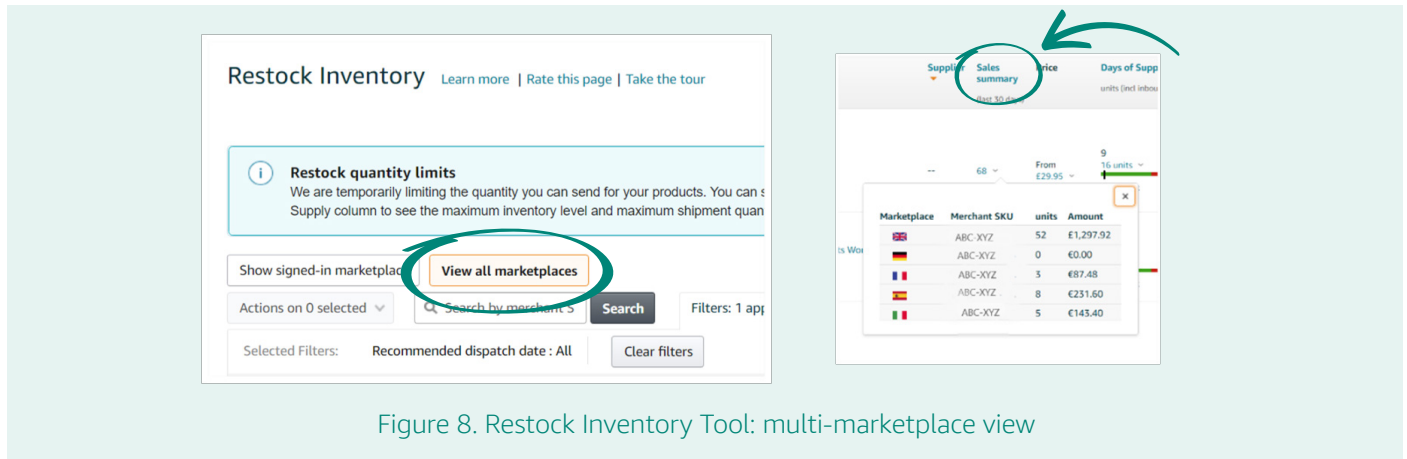


Figure 8. Restock Inventory Tool: multi-marketplace view

We calculate the quantity you can inbound based on past sales, current inventory levels, and the capacity available in our fulfilment centres. To see maximum inventory levels for all of Amazon’s European marketplaces, you can use the [Restock Inventory Report](#); you can access this report [here](#).

To see a recommended percentage split for both UK and EU inbound, you can visit the [Brexit Inventory Split Help Page](#).

3.3.2 Managing Multiple Inventory Pools

From January 1, 2021, your inventory will split into two separate inventory pools. You will not be required to create new FNSKUs and can continue using the same barcodes for your products. The item’s product SKU determines FNSKUs. As you can continue using the same SKU for both your UK and EU listing, there is no need to generate new FNSKU barcodes.



3.3.3 Managing Pan-European FBA Inventory

To continue receiving benefits of the Pan-European FBA program, inventory should be aligned to the same FNSKU across all marketplaces.

1. Align SKUs

If you have used different SKUs for the same ASIN, you can follow these steps to align them for enrolment:

- a. Select which of the ASIN’s existing SKUs is to be used for all future inventory. We recommend the SKU for which the most inventory is currently available. Tick the checkbox next to the products you want to send/replenish and click Go.
- b. Sell out or **remove all the inventory** of the other SKUs and stop replenishing them.
- c. Send all future units of the ASIN to Amazon using the SKU picked in step a.

2. Enable Commingling (treating units in the same condition of the ASIN as one group of inventory)

For information on how to enable commingling, see Commingled Inventory.



4.0 Merchant Fulfilled Network (MFN)

4.1 MFN Requirements

To prepare your Amazon business for a customs border and safeguard your MFN sales, you should speak with your carrier, to understand how they can help you with the clearance process. Your carrier will likely be able to manage this for you; you may be required to provide:

- EORI number(s) [see section 2.2.1]
- details on the type and value of goods being shipped and commodity codes [see Section 2.3]
- recipient details

4.2 How to pay Duties

Should the UK and EU fail to agree a deal, goods traded between the UK and the EU after December 31, 2020 will be subject to the same requirements as third country goods, including the payment of duty. Customers expect products to be listed in the local currency of their chosen Amazon Store; you should ensure your product pricing is also inclusive of all taxes (including any VAT). You should look to use a **Delivery Duty Paid (DDP) Service**.

Many carriers offer Delivery Duty Paid (DDP) shipping methods that ensure all duties are paid in advance of the customer receiving the item. You should discuss with your carrier how duties and taxes are paid and choose shipping methods that avoid exposing customers to such charges and delays.

Please note: having customers pay duties is in violation of the Amazon Marketplace policies and can lead to the suspension of your seller account. Contact your carrier to discuss your options regarding the payment of duties.

4.3 Preparing your Shipment Documentation

4.3.1 Modifying Transit Times

Changes in shipping procedures may affect your delivery speeds and you should therefore communicate any changes to customers by updating the 'Transit Times' in your shipping templates. [Find out more here.](#)

Go to Settings > Shipping Settings > Shipping Templates.

Migrated Template Default Template Edit

Domestic Shipping			
Standard Shipping		International Shipping	
Standard Shipping			
Regions	Address Type	Transit Time excluding handling time	Shipping fee
Scotland(Dumfries, Edinburgh, Glasgow, Kilmarnock, Motherwell), England, Wales	Street PO Box	3 - 5 Days	£0.00 per order + £0.00 per Item
Scotland(Aberdeen, Dundee, Falkirk, Outer Hebrides, Inverness, Kirkwall, Kirkcaldy, Paisley, Perth, Galashiels, Shetland Islands), Northern Ireland, Channel Islands, Isle of Man	Street PO Box	5 - 7 Days	£0.00 per order + £0.00 per Item
BFPO	Street PO Box	7 - 14 Days	£0.00 per order + £0.00 per Item

International Shipping		
Standard Shipping		Domestic Shipping
Standard Shipping		
Regions	Transit Time excluding handling time	Shipping fee
Belgium, Denmark, Ireland, Luxembourg, Netherlands, France, Germany, Monaco	7 - 21 Days	£24.00 per order + £0.00 per Kg
Greece, Portugal, Italy, Spain	7 - 21 Days	£24.00 per order + £0.00 per Kg
Canada, United States	7 - 21 Days	£25.00 per order + £25.00 per Kg

Figure 9. Updating your Expected Transit Times



4.3.2 Modifying Handling Times

You may also require extended time to process orders, before passing the item to your carrier. You can update your handling times to reflect this by using either of the following two options:

1. You can use the **Add a Product** tool or select **Edit** on the **Manage Inventory** page: Enter the number of days you need to prepare the product for shipment in the **Handling Time** field ([Find out more here](#))
2. You can bulk update by using an **inventory loader file upload**:
 - Go to Inventory > Add Products via Upload > Download an inventory file > Click "Inventory Files" at bottom of page.
 - Click on "Inventory Loader" and download file from the new window
 - Insert the SKUs to be updated (assign "a" to "add-delete" column) and update your handling times [see **Figure 10**].
 - Before upload, go to "add-ins" and click "Validate", to check for any file errors.
 - Upload your file:
 1. If macros are enabled, go to "add-ins" > "import file"
 2. If macros are not enabled, save the file in text (.txt) format and upload via "Upload Products and Inventory" tool.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	sku	product-id	product-id-type	price	minimu	maximu	item-	quantity	add-	will-ship-	expedited-	item-note	fulfillment-center-id	merchant-shipping-	product_tax_code	handling-
2	Insert								a							Insert
3	Insert								a							Insert
4	Insert								a							Insert
5	Insert								a							Insert
6																

Figure 10. Updating your Handling Times via Bulk Upload

4.4 MFN Returns

You will also need to consider changes to your returns processes, which you amend in **Settings > Return Settings**.

You can find out more [here](#).

You will have two returns options:

1. Pre-paid return labels: Either provide a domestic returns label or international shipping label
2. Returnless Refunds: Automate refunds without requiring customer to return the product physically





Additional Resources

In addition to the links provided in this guide, you can access further resources below to help you prepare for January 1, 2021 and effectively sell into Europe.

Government Guidance

- [🔗 The Border with the European Union: Importing and Exporting Goods July 2020](#)
- [🔗 HM Government: The UK Transition: Take Action](#)
- [🔗 HM Government: UK Transition](#)
- [🔗 HM Government: Importing Goods from EU to UK from January 1, 2021](#)
- [🔗 HM Government: Exporting Goods from UK to EU from January 1, 2021](#)
- [🔗 European Union: Intellectual Property Office](#)
- [🔗 UK Intellectual Property Office \(gov.UK\)](#)
- [🔗 List of customs training providers \(gov.uk\)](#)

Amazon Resources

- [🔗 Amazon Service Provider Network](#)
- [🔗 Amazon Service Provider Network: International Shipping](#)
- [🔗 Amazon Service Provider Network: Tax Service Providers](#)
- [🔗 Amazon Service Provider Network: International Returns](#)
- [🔗 Amazon Web Services: Amazon Translate](#)
- [🔗 Seller University](#)

Amazon Help Pages (via Seller Central)

- [🔗 Brexit Help Page](#)
- [🔗 Selling in Europe: Build International Listings \(Seller University\)](#)
- [🔗 Creating Removal Orders](#)

