

Hurricane

Enabling seamless cross-border eCommerce



The regulations and laws governing the world of cross-border eCommerce are changing rapidly. Postal authorities, carriers, eCommerce retailers, merchants and marketplaces need to keep pace if they are to remain compliant and take advantage of the enormous business opportunities. Our at-a-glance guide gives you an insight into some of the bigger changes during 2020 and 2021.



US STOP ACT

The Act requires full advance electronic data entry on all mail parcels entering the US.

Minimum customs data requirements include HS6 code, accurate product description, value and sender/receiver details. Full implementation by March 15, 2021. Failure to comply will lead to penalties and severe customs delays.



ICS2

Postal operators will no longer be exempt from having to make entry summary declarations into the Import Control System before moving goods into or through EU customs territory.

As of March 15, 2021, under ICS2, shipments without the right data will no longer be allowed with the likelihood of severe delays in customs and increased costs.



Import One Stop Shop (IOSS)

Modernising of VAT for cross-border eCommerce via the Import One Stop Shop (IOSS) making the retailer, web shop or market place liable for the declaration and payment of VAT to the country of destination.

This will replace the obligation to VAT register in every country where sellers are making sales to EU consumers. Due to come into effect in July 2021.



Low Value Items VAT Exemption

Abolition of exemption of VAT on low value items under €22.

The changes mean that EU and non-EU sellers will charge VAT at the point of sale for consignments of €150 or below.

The Import One Stop Shop (IOSS) is being introduced to assist with the reporting of VAT charged at the point of sale.

Due to be introduced in July 2021.

UK Import VAT Changes



As of January 1, 2021, an overseas supplier who sends parcels containing goods valued at £135 or less to the UK responsible for paying any import VAT that is due.

Low value consignment relief (LVCR) on commercial imports valued at £15 or less also removed.

Terminal Dues Revamp



As of July 1, 2020, countries with imports of more than 75,000 tons of mail from another nation were free to set their own charges for the final delivery of postal traffic from that country.

The agreement affects most eCommerce shipments (anything up to 2kg (4.4lb).

For some countries this will mean approximately a 50% cost increase, whereas for a country like China the increase in delivery costs to the US is likely to be 100% to 135%.

Expectations for 2025 are increases of between 165% and 300%.

VAT Changes



Many countries are changing their VAT rates in the wake of the Covid-19 pandemic.

Two contrasting cases are Saudi Arabia (increased from 5% to 15%), Germany (reduced from 19% to 16%) as different countries choose to either recover lost revenues or incentivize consumers to spend more.

NZ Prohibited Goods



Tobacco products, tobacco leaf and tobacco refuse became prohibited imports in New Zealand on July 1, 2020, meaning a permit to import these products is now required.

A permit is not required to import cigars, cigarillos, water-pipe tobacco, chewing tobacco, snuff and snus - these exempted items can be imported through international mail.

