



Audio Required

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Please stand by, the conference will begin shortly - Press 0* for technical assistance

Cross Border eCommerce: Overcome Digital Roadblocks

Let our global network work for you.

Worldwide Recognition

As the U.S. government, we can open doors that no one else can in markets around the world.

Global Network

Our unmatched global network with trade experts in more than 80 countries can provide you with on-the-ground knowledge and connections.

Results Driven

Our expert, in-person counseling is unparalleled and designed to help you succeed in global markets.



The world is open for your business.

Our global network of experienced trade professionals is located throughout the United States and in U.S. Embassies and Consulates worldwide. Whether you're looking to make your first export sale or expand to additional markets, we offer the expertise you need to connect with lucrative opportunities and increase your bottom line.

Our Services



Export Counseling

- Develop effective market entry and sales strategies.
- Understand export documentation requirements and import regulations of foreign markets.
- Navigate U.S. government export controls, compliance and trade financing options.



Market Intelligence

- Analyze market potential and foreign competitors.
- Obtain useful information on best prospects, financing, laws, and cultural issues.
- Conduct background checks on potential buyers and distributors.



Business Matchmaking

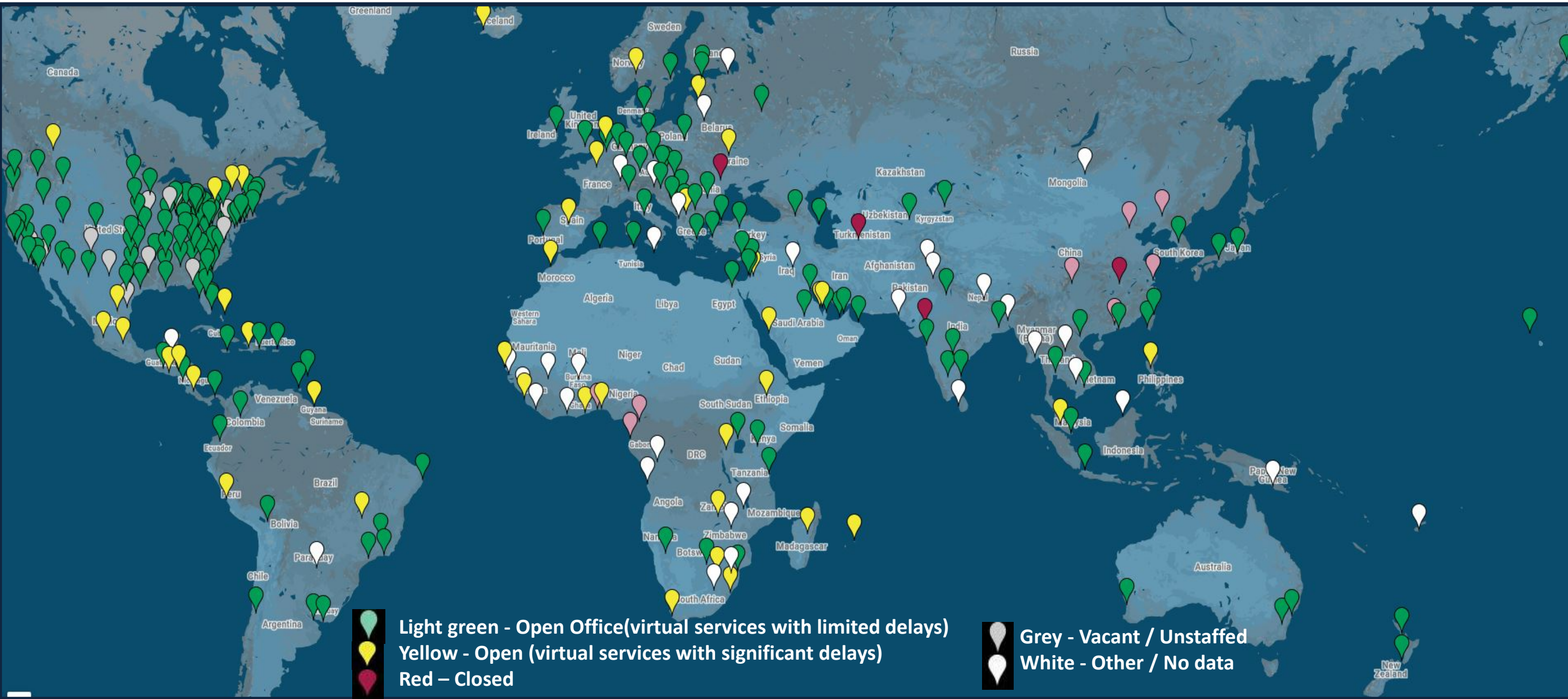
- Connect with pre-screened potential partners.
- Promote your product or service to prospective buyers at trade events worldwide.
- Meet with international industry and government decision makers in your target markets.



Commercial Diplomacy

- Overcome trade obstacles to successfully enter international markets.
- Benefit from coordinated U.S. government engagement with foreign governments to protect U.S. business interests.

We are where you are and where you want to be



Upcoming Webinars- a Three Part Series

Session 3 of 3: eCommerce Channel Mix

Date: June 24, 2020

Time: 11:00 am – 12 pm Pacific

Register: <https://emenuapps.ita.doc.gov/ePublic/event/editWebReg.do?SmartCode=0QKJ>

- ✓ Establish a baseline for where your site traffic comes from
- ✓ Know who your customers are and from where they are buying
- ✓ Choose an appropriate eCommerce sales channel mix
- ✓ Keyword translation considerations for overseas search engines

Register Now!

Your Presenters



❖ “Overcoming Digital Roadblocks in the EU”

- *Hanna Bracken, CS Belgium, U.S. Mission to the EU*



❖ “Getting your retail business global ecommerce ready”

- *Tawnee Steinke, Channel Sales Manager, ZONOS*



❖ “European VAT & eCommerce”

- *Britta Eriksson, EuroVAT Refund, Inc.*

Top eCommerce Business Issues We Can Help With

1. Lack of Business Digital Strategy & Knowhow

- *Solutions: CS Digital Strategy Counselling*

2. Lack of eCommerce Service Provider Awareness

- *Solution: eCommerce Business Service Provider Referral*

3. Help identifying non-tariff barriers

- *Solution: Traditional Counselling*

4. Shipping/Logistics Costs

- *Solution: Traditional Counselling*

5. Online Payment Solutions

- *Solution: eCommerce Business Service Provider Referral*



**U.S.
COMMERCIAL
SERVICE**

United States of America
Department of Commerce

Source: Statista, eCommerce Worldwide Study



Resources- Online Market Research

Virtual Services

Learn How To Export

Research Foreign Markets

Network & Learn at Events

Find Buyers & Partners

Explore eCommerce Resources

Obtain Financing

Negotiate an Export Sale

Navigate Shipping & Logistics

Comply with U.S. and Foreign Export Regulations

Perform Due Diligence

Protect Intellectual Property

Resolve Export Problems

International market research is a key piece of successful export planning. It is important to critically review and assess demand for your product, as well as factors related to a given export destination. The information will maximize your company's efforts, while keeping the export plan cost and time-efficient. Our resources can help you compare markets and target the right ones.

Get started today with the 'How To Export' video series!

WATCH THE VIDEOS →

Researching and Selecting Markets

Be confident in choosing export markets with our articles and videos.

RESEARCH THE GLOBAL MARKET PLACE

PLAN MARKET ENTRY

INTRODUCTION TO FREE TRADE AGREEMENTS



Trade.gov
Research Foreign Markets



Resources- eCommerce Research

- Virtual Services
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- Perform Due Diligence
- Protect Intellectual Property
- Resolve Export Problems



Please take [this Digital Readiness Questionnaire](#) to help your business grow and increase online sales!

Watch [our eCommerce Video Series](#) to help you build a digital brand for successful international online sales.

Business Service Provider Directory

FIND ECOMMERCE BUSINESS SOLUTIONS →

eCommerce Sales Channels

There are 4 main ecommerce sales channels (Your Website, Online Marketplace, Social Media, 3rd Party In-Country Distributor), consider the mix of available sales channels when planning your eCommerce strategy. The ratio of effort spent on channels may varies depending upon the industry, product, and platform. Know who your customers are and which part of the channel mix they are purchasing from.

YOUR WEBSITE	<u>Your Website</u>	<u>Thru #SocialMedia</u>
ONLINE MARKETPLACE	<ul style="list-style-type: none"> Own Data & Design Full Content Control Full Pricing Control Must Do SEO Will Require Service Providers 	<ul style="list-style-type: none"> Build Brand Following Connect Directly With Consumers Promote Thought Leadership Boosts Website SEO Results Vary Local Social Media Rep Recommended Requires Constant Monitoring Sales Dependent On Activity
SOCIAL MEDIA	<u>On Online Marketplaces</u>	<u>Sell to 3rd Party In-Country Distributor</u>

[Trade.gov](#)

Explore eCommerce Resources




eCommerce Videos

- eCommerce Website Optimization (SEO)
- Choosing the Right eCommerce Channel Mix
- Build Your Digital Brand Abroad
- How to Get Paid (eCommerce)
- eCommerce International Shipping Options

eCommerce Videos

Welcome to the largest collection of resources for U.S. businesses selling cross-border through eCommerce sales channels. Brought to you by the eCommerce Innovation Lab (EIL).

- ECOMMERCE WEBSITE OPTIMIZATION
- CHOOSING THE RIGHT ECOMMERCE SALES CHANNEL
- BUILD YOUR DIGITAL BRAND ABROAD
- HOW TO GET PAID
- ECOMMERCE INTERNATIONAL SHIPPING OPTIONS



The video thumbnail shows a pair of hands holding a red box with 'MADE IN U.S.A.' written on it. In the background, there is an American flag and a green box with 'MADE IN USA' on a cart. The video title is 'Website Optimization for International Online Sales' and it includes 'Watch later' and 'Share' buttons.



Referral Resource: eCommerce BSP

Interested in promoting your digital services to U.S. businesses?



Service Provider Categories

The eCommerce Business Service Provider (BSP) Directory contains basic information on ecommerce service providers, that US exporters contacts for optimizing their digital real estate, in pursuit of increased online sales.

Digital Marketing

Search Engine Optimization, Website Localization Services, Social Media Services, Translation Services

FIND DIGITAL MARKETING AND SEO HELP →

Cybersecurity

Security Software, Data Storage, Data Forensics

FIND CYBERSECURITY AND DIGITAL FORENSICS HELP →

eCommerce Logistics

Fulfillment Centers, Last Mile Services

FIND ECOMMERCE LOGISTICS HELP →

eCommerce Legal & Regulatory

Export Compliance, Data Privacy, Intellectual Property Rights

FIND ECOMMERCE REGULATORY AND LEGAL HELP →

Online Payments

Gateways, Shopping Cart, VAT Tax, Foreign Exchange Rate

FIND ONLINE PAYMENT PROCESSING HELP →

eCommerce Marketplaces

B2C, B2B, Commercial & Niche focus

FIND NICHE-FOCUS INDUSTRY MARKETPLACES →

- Who can help with our content strategy?
- Who can help with site translation?
- Who can help with SEO and analytics?
- Who can help with Channel Management?
- Who can help with an IT security program?
- What online marketplaces exist for us to sell through?
- Where can I find technical assistance for my business issues in the ecommerce sales channel that has been identified through digital strategy counselling?

<https://www.trade.gov/ecommerce-bsp-directory>



U.S. Small Business Administration State Trade Expansion Program (STEP)

STEP provides...

- ✓ **Financial awards to state and territory governments to assist small businesses with export development.**
- ✓ **Helps US small businesses:**
 - Learn how to export,
 - Participate in foreign trade missions and trade shows,
 - Obtain services to support foreign market entry,
 - Develop websites to attract foreign buyers,
 - Design international marketing products or campaigns,
 - Website translations, search engine optimization, localization services (may vary by state)
- ✓ **Reimbursement Amount: Varies by state**

Details: <https://www.sba.gov/funding-programs/grants/state-trade-expansion-program-step>

Your Presenter

Tawnee Steinke / tawnee@zonos.com

Tawnee is a Strategic Partner Manager at Zonos overseeing the Business Development department and enterprise accounts. In her role, she is responsible for helping to grow and expand the company by helping online merchants to convert international shoppers into lifelong customers. Being a small business owner herself with a focus on eCommerce she understands the difficulties and rewards of an online business.

Learning to navigate international ecommerce with Zonos for over 5 years has helped her to be successful in opening new markets and adding growth to the company. Customer experience has been an important part of her career and will continue to adapt to the changing times.





**Get your retail business
ready for global ecommerce**



Global Shopping Festival (Singles Day)

- \$30.8 billion sales within 24 hours
- Up 27% year over year
- 180,000 brands participated
- Over 40% of sales were international brands
- Black Friday (and Thanksgiving Day) numbers were up 20% *with record earnings of \$9.9 billion*
- Cyber Monday did \$7.9 billion



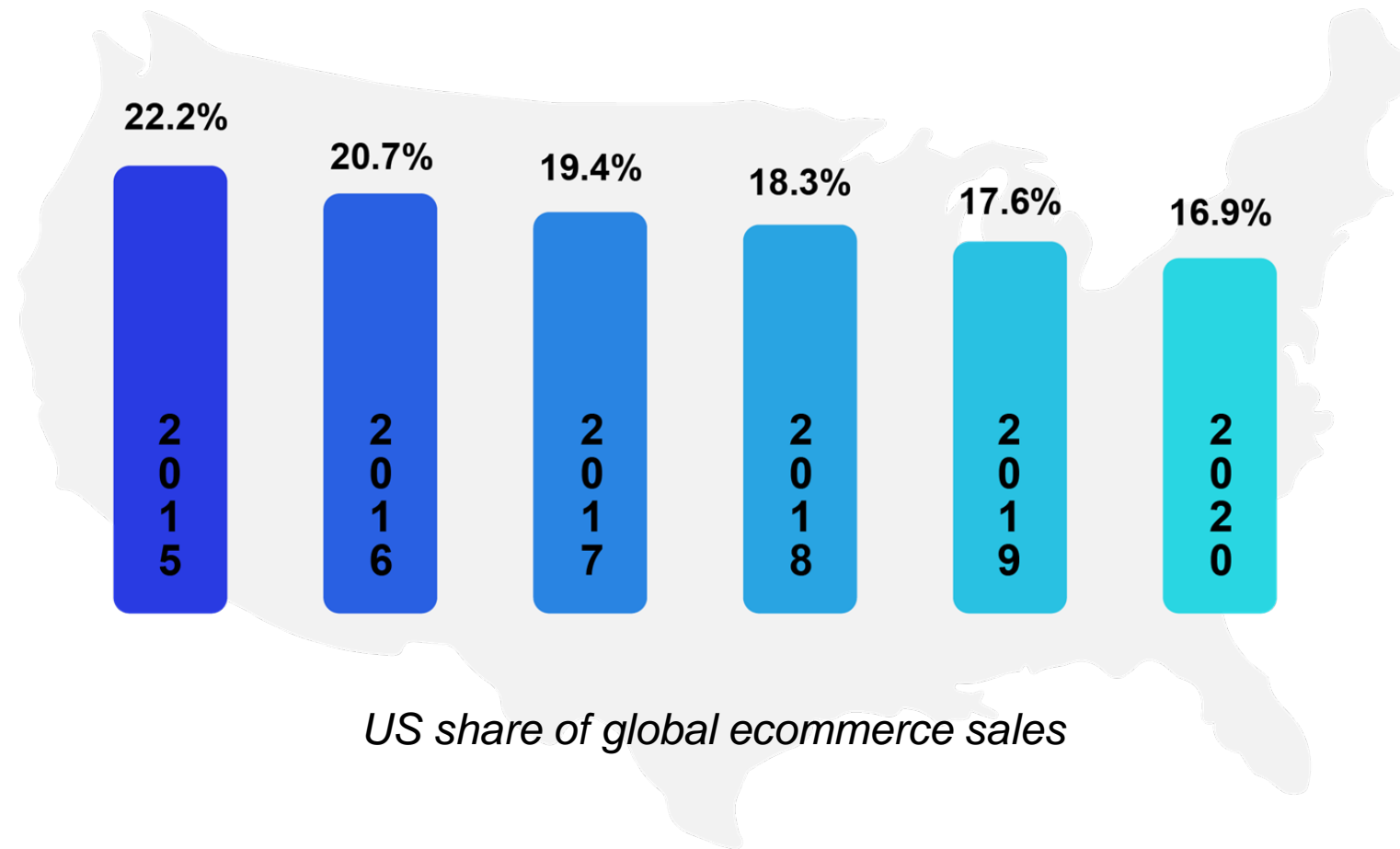
The center of ecommerce has moved beyond the western world

North America
\$988B

Europe
\$272B

Asia
\$6,020B

Rest of the world
\$383B



US share of global ecommerce sales

<https://www.canadapost.ca/blogs/business/ecommerce/conversion-and-abandonment-the-ingredients-you-need-to-maximize-your-checkout-experience/>

The United States buying experience for shoppers



Shipping

Shipping cost may be free or flat rate.



Delivery

Delivery date is understandable.



End result

No surprises!

The international buying experience for shoppers



Shipping costs

Shipping costs are unclear with limited options



Delivery

Vague delivery expectations



Duties & taxes

Collection of duties and taxes after the order upon delivery



Additional fees

Additional credit card fees



Exchange rate

Foreign exchange rate is unknown



End result

Nothing but surprises

The international buying experience for merchants



Complicated conversion

Converting customers is more complicated



Multiple languages

Dealing with multiple languages



Multiple currencies

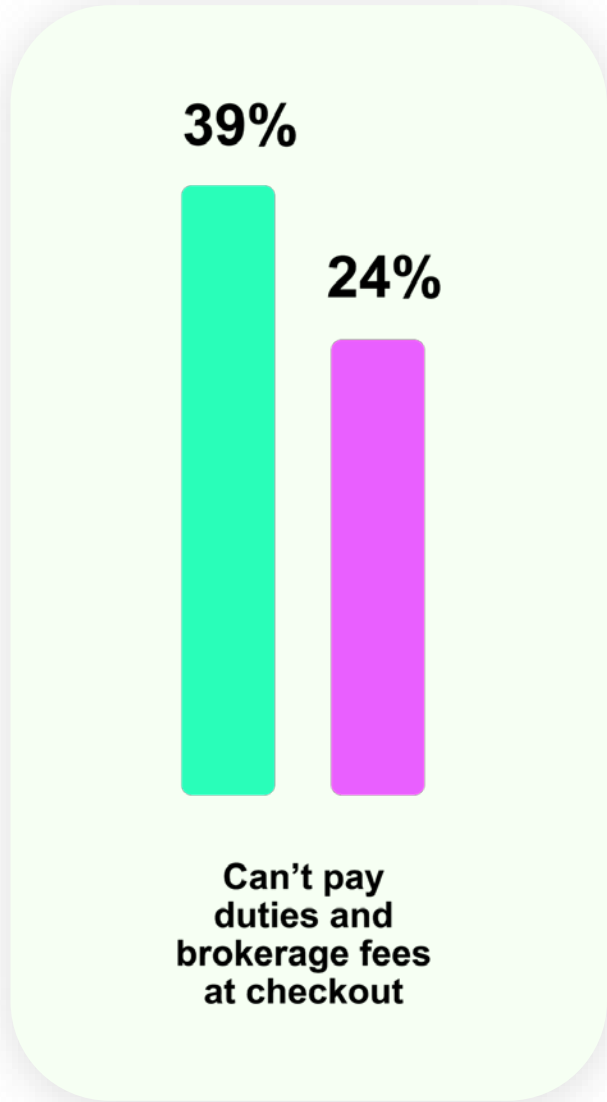
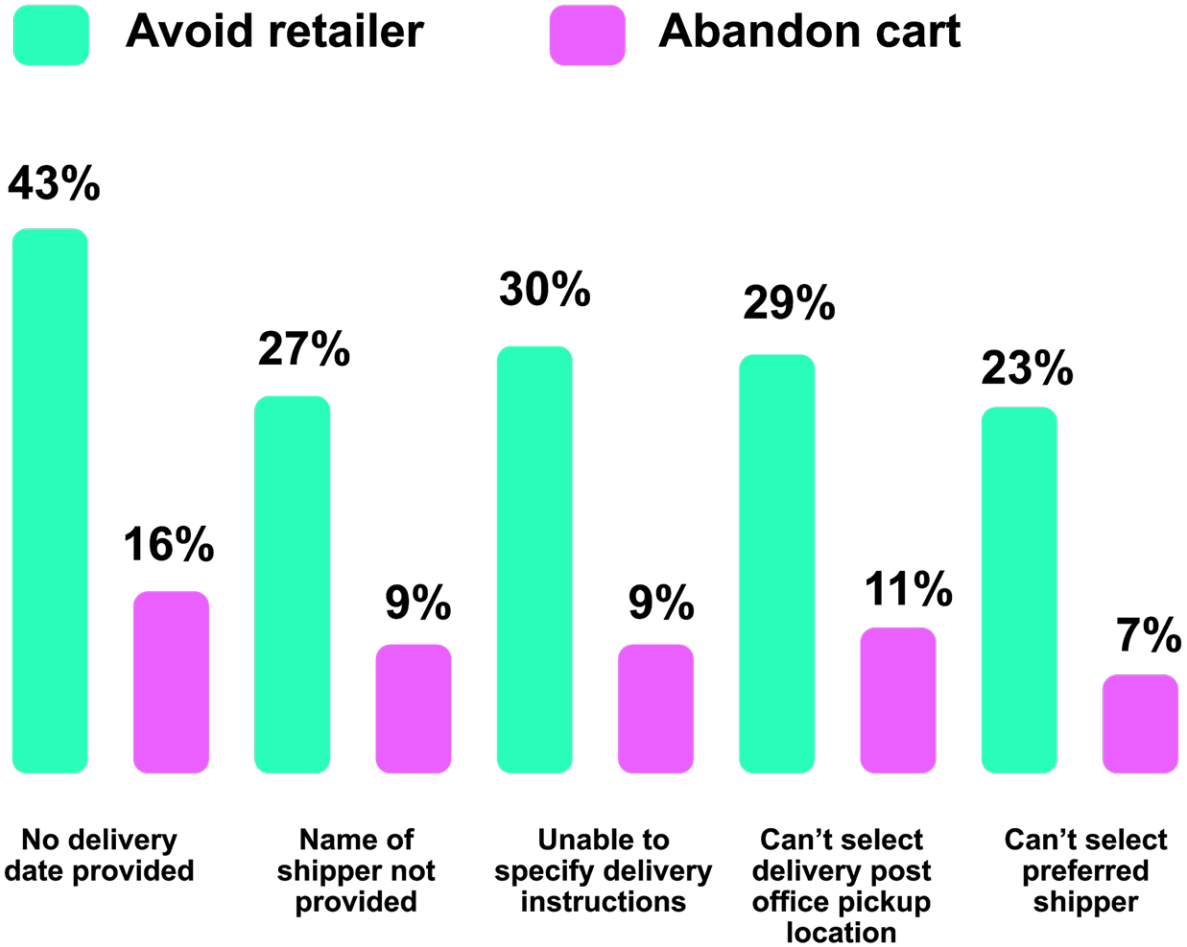
Dealing with multiple currencies



End result

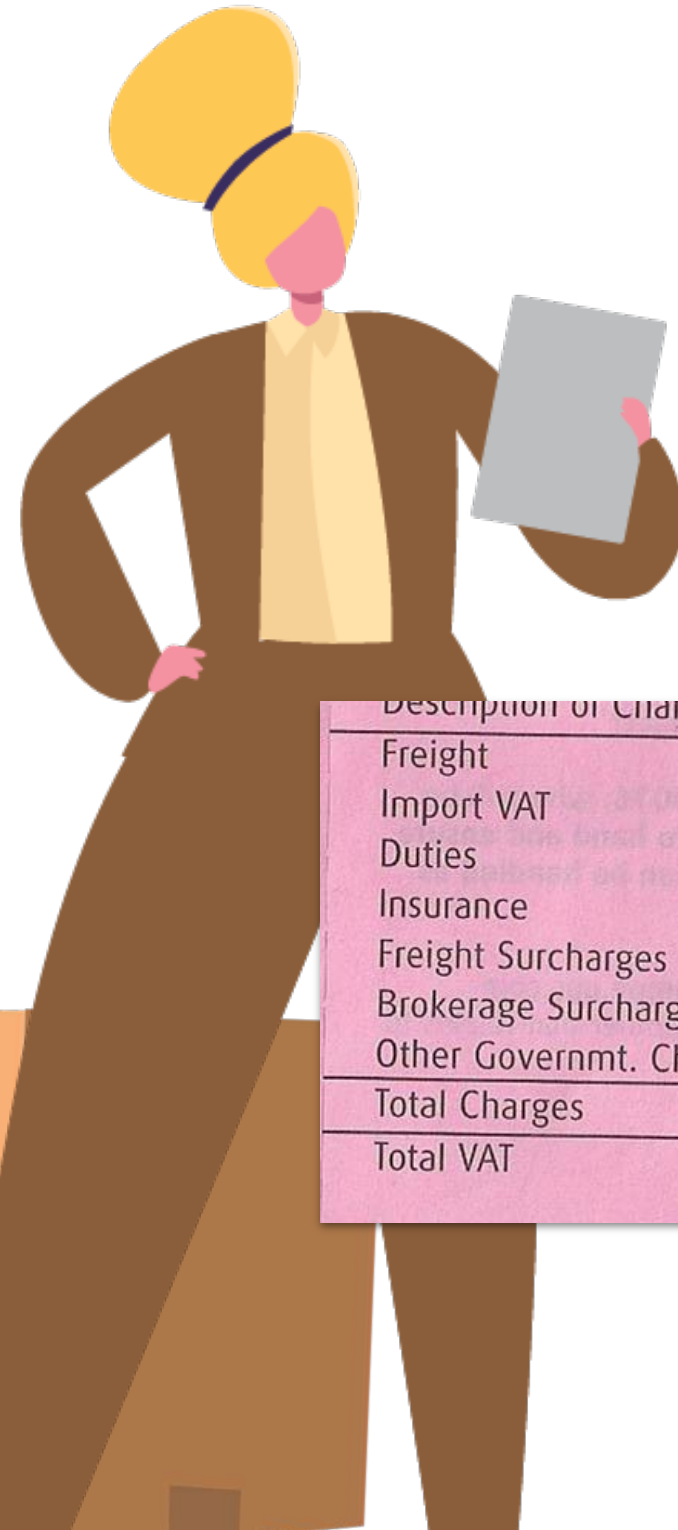
Increased support costs and more work

Shoppers may abandon merchants as well as carts



<https://www.canadapost.ca/blogs/business/ecommerce/conversion-and-abandonment-the-ingredients-you-need-to-maximize-your-checkout-experience/>

Oh snap!



ups **INVOICE** UPS Limited
UPS House, Forest Road
Feltham, Middlesex
TW13 7 DY
Tel.: 0345 161 0016
UPS VAT-ID-N° GB222 4217 10

Invoice Number: 000202669931 Date: 17JUN2015 62YE65MWQWL
Account Number: 8GB25FYV3W Description: TOYS
Consignee VAT / EORI - ID: CONRAD BLAKE Shipper: AIRSOFT GI Value: 250.00
Consignee: 15 BURCHNALL CLOSE 20519 E WALNUT DR N RM C Currency: USD
ST JAMES PE6 8QJ WALNUT CA9178929
GREAT BRITAIN Tel: 7037076280 UNITED STATES
Import Date: 17JUN2015 Waybill Number: 1Z62YE656767964136 Reference: 729243 Service / Bill Type: WW EXPEDITED Weight / Packages: 6.8 / 1
NON-DOCUMENT

Description of Charges:	NON TAXABLE	NET CHARGES	DUTY/VAT CHARGES ARE ESTIMATED
Freight			
Import VAT	41.96		
Duties		41.96	
Insurance			
Freight Surcharges			
Brokerage Surcharges	11.00		
Other Governmt. Charg.		11.00	
Total Charges		52.96	
Total VAT			

Carrier use
Received for UPS by Date 14-6-15 Time M
Amount Received Currency Amount Cheque Cash
Other Information
RECEIVER'S COPY (PASS TO ACCOUNTS DEPARTMENT)

ADDITIONAL CHARGES DIFFER FROM THE ESTIMATE

Global compliance

Denied Party (CSL Screening)

Check every order against the Consolidated Screening List (CSL)

General Data Protection Regulation (GDPR)

Privacy policy, consent and opt in options for the EU with API endpoints for data erasure requests. Penalties: 4% of annual global turnover or 20 Million Euro, whichever is greater.

Restricted items

Checkout and API item restrictions country import restrictions, brand restrictions, US export regulations, shipping carrier restrictions, company policy item restrictions

Calculating and collecting Australian GST

Keep your Australian shoppers informed while shopping and collect GST at time of checkout. If you sell over A\$75,000 (\$56,000 USD) within 12 months period



Zonos Docs for cross border

Use the guides for you and your customers



Search the docs (Press '/' to focus)



Guides

Overview

COVID-19 shipping disruptions

Country ISO codes

De minimis values

Total landed cost

Duty on international returns

Landed Cost guides

At Zonos, we are all about decoding cross border!

Our comprehensive guides section will walk you through more detailed information on landed cost.

These include what makes up a total landed cost, why de minimis is important, offerings that are available for various international shipping carriers, country-specific laws, and much more.

Check back for more available guides coming soon!

<https://docs.zonos.com/guides>




Zonos Hello

Welcome shoppers in their local language
and currency

Hello features

- Duty & tax calculations • Currency conversion
- Translated into 18 languages • Country specific messaging
- Duty and tax quotes on your product pages

Ideal for: improving an ecommerce shopping experience

Plugins








JS
For custom sites and other platforms

Visit

hello-zonos.com

✕
United States to Canada


Canada ▼


Welcome

Come here for information throughout the shopping experience to learn more about what to expect when bringing goods into Canada.

Duties and Taxes

In Canada you can spend up to 20 CAD and not incur any duty on your order. GST is 5% and due on any order above 20 CAD. You are responsible for duties and taxes that are collected upon delivery.

As you add items to your cart, you can return here to get more detailed calculations on possible duty and GST

Powered by  Z O N O S
fr | en

CA\$17.46 Estimated Duties and Taxes



How to start with international

- Where are your visitors coming from?
- Start with 5 countries
- Where is there a need for your product
- Ensure your shipping policy is up to date
- Globalize your website
- Build your social media outreach
- Look to partners that will help you be successful in growing new markets

Tawnee Steinke

Channel Sales Manager

tawnee@zonos.com

435.313.5092



Cross Border eCommerce: Overcome Digital Roadblocks



Your Presenter

Hannah Bracken

U.S. Mission to the EU

hannah.bracken@trade.gov

U.S. Department of Commerce |
International Trade Administration



Are there digital roadblocks in the EU?

Introduction: Focus on the EU Perspective

[DESI 2020 Report](#)

- Ireland, the Czech Republic, Denmark, Belgium, and Sweden rank highest on e-commerce
- Criteria: SMEs selling online, SME e-commerce turnover, and SMEs selling online outside their home country

U.S. Department of Commerce |
International Trade Administration



Are there digital roadblocks in the EU?

SMEs

Table 1 Integration of digital technologies indicators in DESI

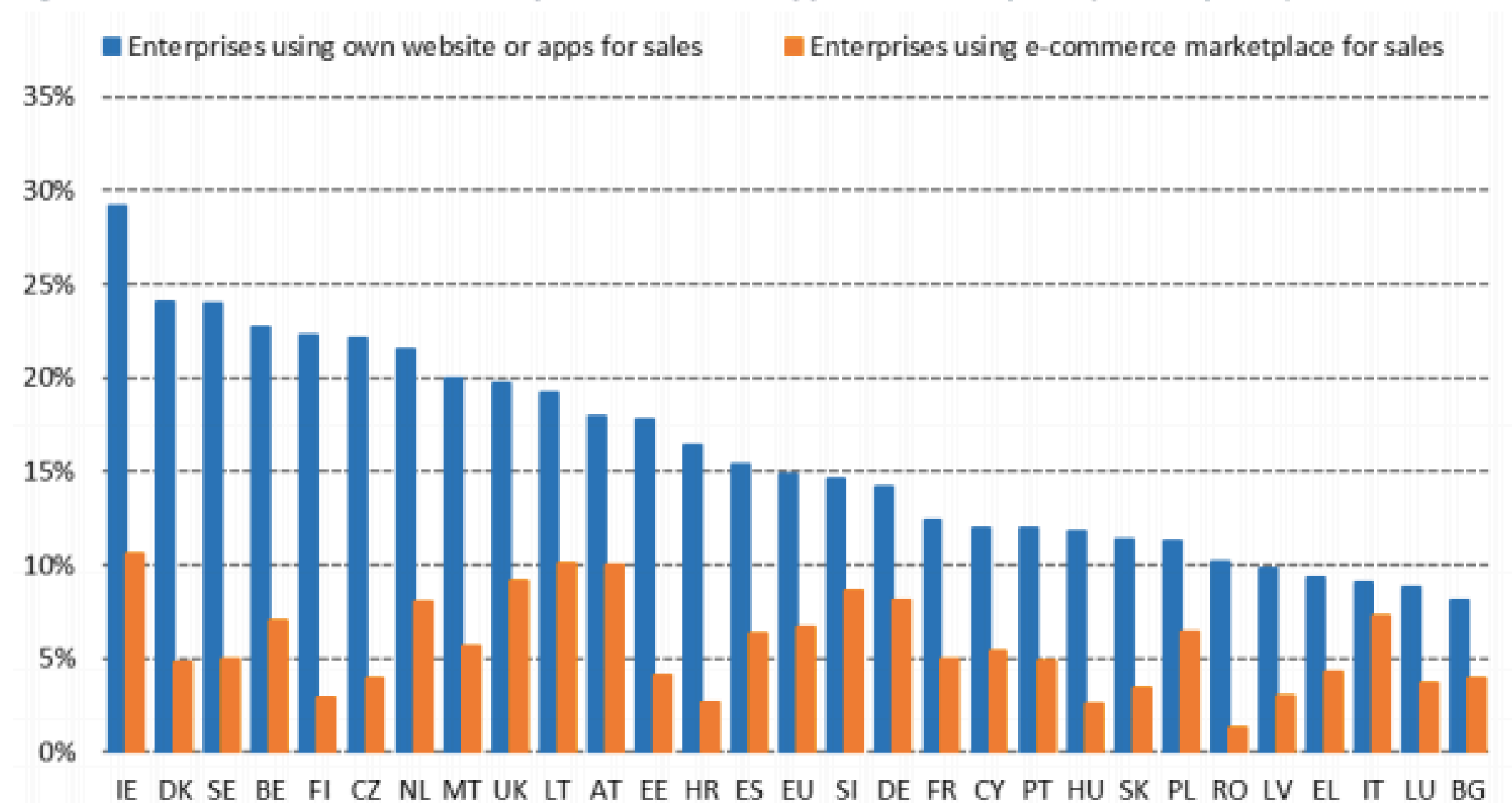
	EU	
	DESI 2018	DESI 2020
4a1 Electronic information sharing % enterprises	34% 2017	34% 2019
4a2 Social media % enterprises	21% 2017	25% 2019
4a3 Big data % enterprises	10% 2016	12% 2018
4a4 Cloud % enterprises	NA	18% 2018
4b1 SMEs selling online % SMEs	17% 2017	18% 2019
4b2 e-Commerce turnover % SME turnover	10% 2017	11% 2019
4b3 Selling online cross-border % SMEs	8% 2017	8% 2019

Source: DESI 2020, European Commission.

Are there digital roadblocks in the EU?

Current situation

Figure 16 Online sales broken down by own website or apps and marketplace (% enterprises), 2019



Source: Eurostat, Community survey on ICT usage and e-commerce in enterprises.



Are there digital roadblocks in the EU?

Some roadblocks

DESI 2020 Report

- Almost 40% of EU companies with cross-border e-commerce sales report at least one obstacle
- 27% cite high costs of delivering or returning products
- 11% cite knowledge of foreign languages
- 11% cite problems resolving complaints/disputes
- Other issues – adapting product labeling and restrictions from business partners

Emerging regulations impacting online sales

EU Regulations

Changes enacted

- ✓ Consumer protection rules
- ✓ Platform to Business (P2B) Regulation

Proposals

- ✓ Digital Services Act (DSA) - consultation until Sept. 8, 2020

Emerging regulations impacting online sales

EU Regulations

Consumer protection rules

- Still largely national
- New, more harmonized rules for contracts to supply goods and digital content as of January 2022
 - Includes contracts in exchange for the consumer's personal data
- Online marketplaces will have to comply with specific rules as of May 2022
 - Ex. Display main parameters determining the ranking of products presented and their relative importance. Consumers should be able to tell when a trader has paid for a higher ranking.

Emerging regulations impacting online sales

EU Regulations

Platform to Business (P2B) Regulation

- Applicable as of July 2020
- Directed at terms and conditions of sales intermediaries (ex. e-commerce marketplaces, app stores, social media, and price comparison websites) which should include:
 - the main parameters that determine the ranking of search results
 - a description of “*any differentiated treatment*” given to goods/services provided by the platforms
 - a free system for vendors to lodge complaints to the intermediary
- Applies if the intermediaries allow EU traders to offer goods/services through their platforms to EU consumers

Emerging regulations impacting online sales

EU Regulations

Proposed Digital Services Act (DSA)

- [Consultation](#) open until Sept. 8, 2020
- Directed at online platforms *“like social networks or marketplaces - provided in the EU from anywhere in the world - the act should increase and clarify a common set of responsibilities:*
 - *to keep users safe from illegal goods, content or services*
 - *to protect their fundamental rights online”*
- Likely to cover transparency requirements and include more oversight
- Consultation asks for feedback from vendors and consumers that use marketplaces

Emerging regulations impacting online sales

Recap



You can contact the [Commercial Service](#) at the U.S. embassy where you are considering doing business.

Rules are becoming more harmonized on an EU level, but differences between countries persist, particularly in consumer protection.

European VAT & E-commerce

Your Presenter:
Britta Eriksson
CEO
Euro VAT Refund, Inc.



Value Added Tax is Called



VAT **UK & many other countries**

GST **Canada, Australia**

MWST **Austria, Germany**

TVA **France**

IVA **Italy**

JCT **Japan**

8% to 27%. 17% to 27% in Europe

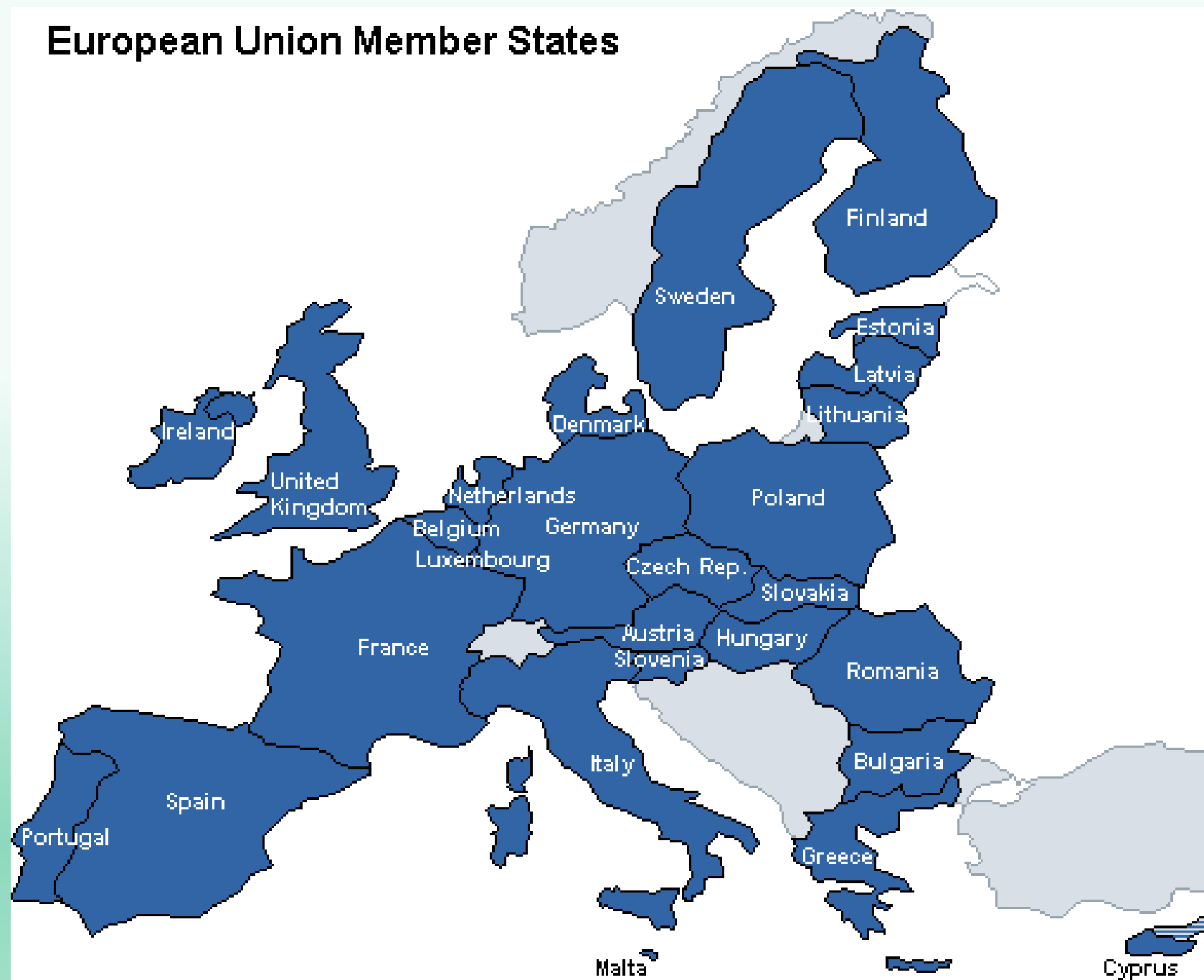
VAT in the EU and Other Countries



- VAT incurred in the European Union (EU) can often be reclaimed.
- VAT in other countries is often not refundable.
- A company should in most cases not end up with VAT as a cost.
- VAT registration can be required when North American company imports and warehouses goods in the EU (and also Australia and a few more countries)

**IT IS ESSENTIAL TO PLAN AHEAD AND UNDERSTAND
VAT RULES BEFORE SHIPMENTS ARE SET UP!**

European Union Member States



VAT on E-commerce: Goods Shipped from the U.S.



Goods and products are sold from website,
shipped from a U.S. warehouse to customers worldwide:

Customer has to pay duty and local VAT to customs – or
**U.S. merchant can include in price. Make sure to state on
website.**

- **VAT is often refundable if the customer is a
company**

- **VAT is not refundable if the customer is a private
person**

VAT on E-commerce: Goods Shipped From the EU (Fulfillment Warehouse)



A U.S. company that sends goods to a warehouse (i.e. Amazon fulfillment) in the EU and sells from there is required to:

- 1. Register for VAT in the country of warehousing**
- 2. Import under this VAT/EORI number, and pay import VAT**
- 3. Charge VAT on the sales**
- 4. Declare the VAT to local tax authorities**

ALERT:
EU Warehouses are Responsible for Making
Sure that Foreign Companies Comply



- Warehouses are required to report VAT registrations to the local Tax Authorities.
- Tax Authorities can audit, and restrict sales in the meantime.

How VAT Works

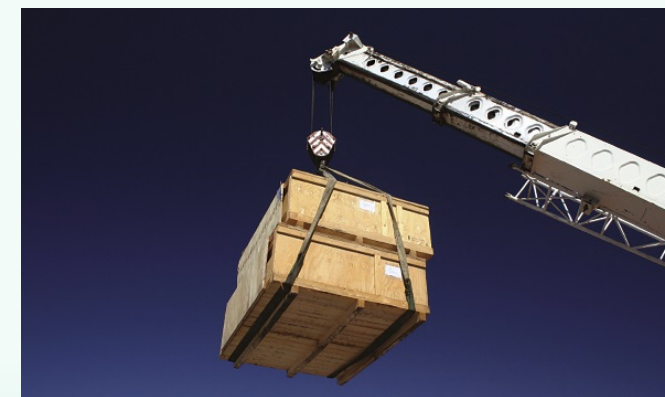
Almost all companies:

- 1. Collect VAT on all sales invoices**
- 2. Pay VAT on all purchase invoices**
- 3. Declare the difference to the VAT authorities**
- 4. Pay VAT on the value that is added**

**VAT is accounted for on a Balance Account,
and is usually not a cost to the company.**



VAT on Imported Products



North American products shipped to the UK:

Commercial invoice:	£10,000
<u>Duty 3%:</u>	<u>£ 300</u> (pay to UK customs)
Sub total:	£10,300

VAT 20%* **£2,060 (pay to UK customs)**

***The VAT should be refundable in most cases if the import is set up right from the start and done correctly. Should not be a cost to a company (but is to a private individual).**

VAT on Sale to Amazon Customer



Sale to one Amazon customer	£100
Freight and Handling	£5
VAT 20%*	£ 21
<hr/>	
Total collected	£ 126

Prices stated on Amazon EU websites must include VAT!

VAT Declaration to the UK Tax Authorities



VAT charged to Amazon customers	£ 4,000
<u>Less import VAT paid to UK customs</u>	<u>- £ 2,060</u>
Due the UK Tax Authorities*	£ 1,940

***VAT is never a cost to the company.
VAT is a cost to the private end customer.**

VAT on Sales of Electronically Supplied Services to Private Person in EU from the U.S.



“MOSS”: software, cloud, online games, music, broadcast

- 1. U.S. company can register for VAT in one EU country**
- 2. Charge different VAT to different countries**
- 3. Declare all of it in the country of registration**

(UK or Ireland is the best choice for VAT registration)

Changes in the EU from July 2021

Import “Green Channel”:

No more EUR 22 exemption for small parcels imported to the EU.

VAT must be charged on all goods sold.

**Merchant must register for VAT through OSS (One Stop Shop Scheme),
when shipping from warehouse outside of the EU.**

**The non-EU seller can register for VAT in one EU country,
and charge VAT from there on all products sold for less than EUR 150**

Market place can step in and report, if used as warehouse

**Market place that facilitates cross-border sales will take on the VAT liabilities
and has to charge and declare the VAT.**

Be VAT Smart



- **Be prepared for VAT charges and to charge VAT.**
- **Always try to reclaim VAT from the EU countries.**
- **Ask for advice BEFORE any business activity or transaction starts since VAT should never be a cost to any company involved**

EuroVAT is Happy to Assist



Euro VAT Refund can:

- **Explain and assist with VAT issues before your international business transaction.**
- **Assess the VAT problem after the shipment, and assist in the reclaim process, when possible.**
- **Assist with all the compliance and related management in the EU countries, and some others.**

Contact Information



Britta Eriksson / Bianca Blake

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Culver City, CA 90230**

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bianca.blake@eurovat.com
vat@eurovat.com**

www.eurovat.com

Thank You!

Contact A Local Trade Specialist:

<https://2016.export.gov/usoffices/index.asp>

Quick Resources:

Explore eCommerce Resources:

<https://www.trade.gov/ecommerce>

Research Foreign Markets:

<https://www.trade.gov/international-market-research>

eCommerce Business Service Provider Directory:

<https://www.trade.gov/ecommerce-bsp-directory>

U.S. Small Business Administration

State Trade Expansion Program (STEP)

<https://www.sba.gov/funding-programs/grants/state-trade-expansion-program-step>

Questions?

Presenters Contact:

U.S. Mission to the EU

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Zonos

Tawnee Steinke

Strategic Partner Manager

Phone: 435.313.5092

E-mail: tawnee@zonos.com

<https://zonos.com>

Upcoming Webinars- a Three Part Series

Session 3 of 3: eCommerce Channel Mix

Date: June 24, 2020

Time: 11:00 am – 12 pm Pacific

Register: <https://emenuapps.ita.doc.gov/ePublic/event/editWebReg.do?SmartCode=0QKJ>

- ✓ Establish a baseline for where your site traffic comes from
- ✓ Know who your customers are and from where they are buying
- ✓ Choose an appropriate eCommerce sales channel mix
- ✓ Keyword translation considerations for overseas search engines

Register Now!