

8 STICKY AMAZON EU SITUATIONS TO AVOID

Selling to Amazon Europe marketplaces is both rewarding and tricky. Just don't make these mistakes the hard way.

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STICKY SITUATION #1

Registering in the Wrong Language

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You only have to register in one country to be able to sell in all Amazon EU countries (France, Germany, Italy, Spain, UK) using a European Unified Account. The tricky part is your entire account will be in the language of the country you register. You registered your account on Amazon Germany thinking it'd be a great way to use your high school German. Then you realized everything you'd be selling across all your EU Amazon marketplaces WILL BE IN GERMAN. (Oops)

WHAT TO DO

Don't just sign up on any ole Amazon EU country marketplace. Yes, it will be tempting to bust out that old Rosetta Stone German CD set. No, it probably isn't advisable. Make sure you register in the language you speak. Usually if you're an American and your primary language is English, you'll want to register for your European Unified Account on Amazon.co.uk.

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STICKY SITUATION #2

Not registering for VAT because you sell books (or another zero rated item)

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Yes, there actually are certain circumstances where you don't have to pay on VAT. There are a few categories like books and baby clothes, where VAT taxes aren't charged, therefore you as a seller don't have to collect them. There are three categories of VAT charges in the UK: 1) Standard Rate, 2) Reduced Rate, and 3) Zero Rate.

DO THIS INSTEAD

Make sure your business is set up correctly from the start, and register for your VAT number right from the start. Don't wait for it to maybe come up later. This way, you'll be in compliance with VAT regulators. You can also run afoul of Amazon by not having a VAT number. (see sticky sitch #3)



STICKY SITUATION #3

Registering for a European Amazon Unified Account Without a
VAT Number

STICKY SITUATION #3

Registering for a European Amazon Unified Account Without a VAT Number

You'll need a valid phone number, credit card, tax number, plus a VAT number to register for a European Unified Account to begin selling in EU countries. Even though you can technically register for an Amazon EU seller account, you're not going to be able to sell in the EU without a VAT number.

Amazon has been the target of increased crackdowns recently, you can only expect Amazon to become more strict about VAT compliance in the future.

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DO THIS INSTEAD

Even if you don't pay VAT obligations because the items you sell are excluded, like books or baby clothes, you may be able to get a VAT refund on business purchases you make, like postage. The bottom line is Amazon requires you to have a VAT number to register for a European unified account.

Best not to give them a reason to call your business into question, or worse yet to suspend you. There are [cases of Amazon suspending sellers for not having a VAT number.](#)



STICKY SITUATION #4

Not getting an EORI number, because you signed up for FBA

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Not getting an EORI number, because you signed up for FBA

Whether using FBA or FBM, an Economic Operator Registration and Identification (EORI) number is required for all global businesses. It makes no difference the fulfillment method you use. It can be FBA or FBM (Fulfilled By Merchant), and you'll still need an EORI number to import goods into the EU.

HOW TO DEAL

Get an Economic Operator Registration and Identification (EORI) number. You'll need it to export goods to the UK and EU from a foreign country. You can apply for one after you have your VAT number, and it will be attached to your VAT number. You also may be able to apply for an EORI at the same you apply for your VAT number.

A woman with long dark hair is shown in a close-up, looking thoughtful. Her right hand is raised to her chin, with her index finger pointing upwards. The image is dimly lit and has a dark, monochromatic color palette, with the text overlaid in a bright blue color.

STICKY SITUATION #5

Choosing between FBA or FBM

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Choosing between FBA or FBM

When you're dealing with opening your goods to a new market, there always unknowns. While there are higher costs to Fulfillment by Amazon (FBA), there are also higher rewards. Not to mention you'll be able to offload some of the fulfillment hassles of running an ecommerce business.

On the other hand, FBM (Fulfillment By Merchant) will often yield slightly higher margins. You'll have more control over the

sales and fulfillment process, you'll also more headaches to deal with.

HOW TO DEAL

Calculating the costs of FBA overseas is very similar to the American FBA program. The costs of FBA are cumulative. You'll need to make sure you're selling high enough quantities right from start to justify the long-term inventory costs. That can be difficult to predict without past sales.



STICKY SITUATION #6

Picking the wrong country to store your goods

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HOW TO DEAL

Unfortunately, one spring break trip to Cancun in high school probably isn't enough to qualify you as a fluent Spanish speaker. Generally, you don't want to pick Spain as your storage country if you barely speak Spanish.

The success of your business relies on your ability to communicate. Choose your storage country with your native language in mind. There are many instances where you'll need to communicate with people in the country where you store your goods.

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STICKY SITUATION #7

Not checking the currency rate you'll pay on foreign marketplaces

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Not checking the currency rate you'll pay on foreign marketplaces

What does bringing home money from Amazon EU marketplaces and exchanging money at the airport have in common? They're both places where people pay high rates to convert foreign currency.

HOW TO DEAL

Be sure to shop around for the best cross-border currency exchange rate. After you've started selling products in the EU, you'll start getting paid in local currency. The trick here is that you don't have to pay premium rates to convert your profits to dollars using Amazon Currency Converter.



STICKY SITUATION #8

Not paying your VAT and suppliers in local currency

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Not paying your VAT and suppliers in local currency

This one's a real doozy if you don't find a way to beat the system. Here's how things typically go when it comes time for an Amazon seller to pay their VAT and suppliers. When it comes time to settle with UK VAT authorities, for example, you'll need to remit payment in British Pounds. As an American, you probably don't have those laying around. So, you convert American Dollars into pounds to pay your VAT. That's really bad news for most sellers, it means you've paid double exchange fees! You exchanged currency from

HOW TO DEAL

Keep local currency on hand with a cross-border payment account. With the right cross-border payment account, you can [pay VAT and suppliers with zero fees](#). Just keep payouts in British Pounds from Amazon.co.uk in your account until you need to pay the UK VAT authorities. Since you already have the correct denomination, you won't have to pay any exchange fees.

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From your friends at **pingpong**

Since 2015, PingPong has been on a mission to help e-commerce sellers keep more of their hard-earned profits by beating the rates of traditional banks. More than 42,642 e-commerce merchants around the world trust PingPong to save them money on cross-border payments, VAT payments, supplier payments, and more. Tell us how we can help.

HOW TO GET IN TOUCH

PingPong

599 3rd Street

San Francisco, CA 94107

1(800) 384-5729

support@pingpongpayments.com