



axis[®] vMerchant

B2B and B2C eCommerce Solutions

Brexit White Paper

29.12.2020

Introduction

Despite the announcement of a trade deal between the UK and the European Union, there will be changes to the way in which trade is carried out between the two regions.

From 1st January 2021, for example, the UK will have left the EU VAT regime and new VAT rules will apply.

We have prepared this White Paper to look at how the situation beyond the end of the transition zone will be handled by axis vMerchant websites.

This white paper should be read in conjunction with the matching document for users of axis diplomat. This can be found at:

- <https://www.axisfirst.co.uk/software/brexit/>

This is, of course, an evolving and changing subject so please remember to keep alert to the latest Government advice and the information that we will publish from time to time via our website. We strongly recommend that you subscribe to our newsletters via our website and follow us on Twitter.

- <https://www.axisfirst.co.uk/subscribe/>
- <https://twitter.com/axisfirst>

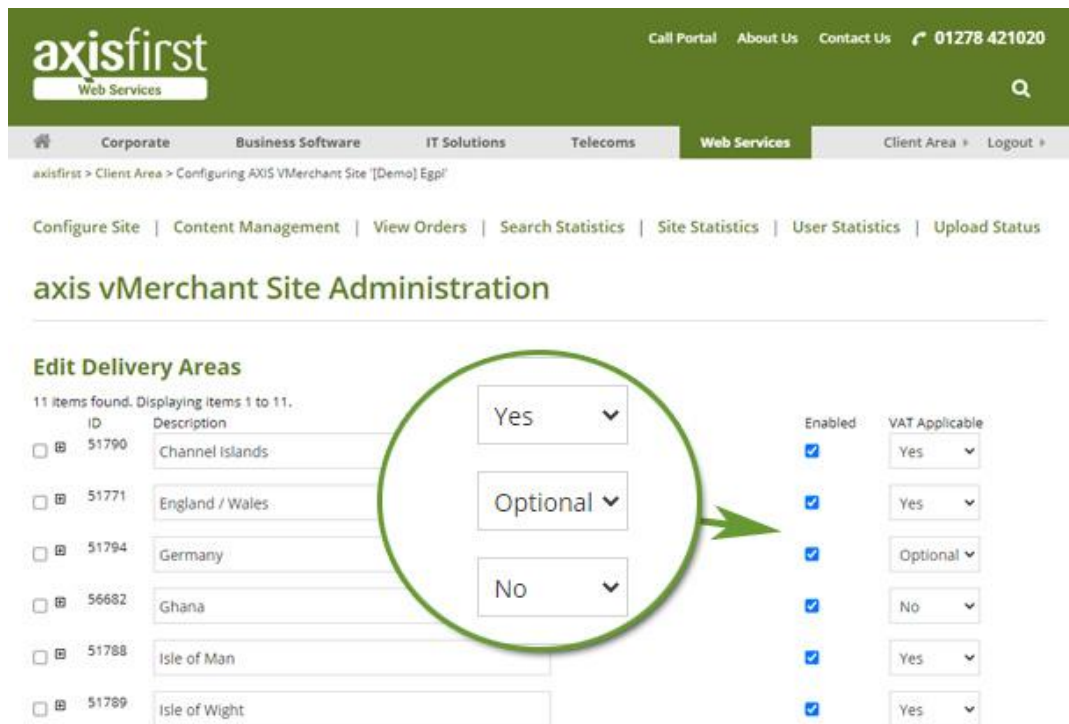
Regards

The axisfirst Web Services Team

1 Review VAT Charging Rules

1.1 "VAT Optional" Delivery Areas

axis vMerchant offers three different ways in which the VAT can be handled for any given delivery area:



Deliveries to areas marked as "VAT Applies = Yes" will always be charged VAT at the applicable domestic rate for the products.

Deliveries to areas marked as "VAT Applies = No" will always be Zero Rated for VAT.

Deliveries to areas marked as "VAT Applies = Optional" will be charged VAT at the standard rate unless the customer provides a valid VAT number at the checkout or are logging in to a trade account which already has a valid VAT number associated with it. VAT numbers entered at the checkout are validated in real-time using the online VIES service.

This third option is normally used for websites selling to EU countries since retail customers (without their own VAT number) will then be charged VAT whilst VAT registered businesses will not be charged VAT.

We recommend that you review the VAT settings for each of your website's delivery areas and determine if any changes are required. Any changes that are required will need to be made at the time that new Brexit rules come into effect.

Our interpretation is that, at the end of the transition period, for any UK-based axis vMerchant client, all delivery areas that cover EU countries will need to be changed from "VAT Applies = Optional" to "VAT Applies = No".

Similarly, any axis vMerchant clients based elsewhere in the EU should check the VAT rules for any delivery areas covering the UK.

You should, in all cases, check with your tax advisors to ensure that your treatment of VAT is correct when selling online.

1.2 Sites without Delivery Areas

Not all axis vMerchant websites are configured to use Delivery Areas.

Sites that do not use Delivery Areas will always charge VAT on the assumption that the sale is a domestic supply.

There are a number of reasons why this may be the case (such as sites that have traditionally not exported) but if you now need your website to handle current and future VAT rules correctly when shipping overseas, please contact the axisfirst Web Services team - enabling Delivery Areas on your site is easy to do.

Further information on Delivery Areas can be found in the axis vMerchant Administrator's User Guide at:

<https://www.axisfirst.co.uk/documentation/axis-vMerchant-Administrators-User-Guide/chapters/81>

2 Review Product Data Provided by Website

axis vMerchant websites, especially those operating in a B2B trade environment, are often more than simply an ordering tool - they may be a source of product data for your customers.

In these situations, even if you do not export products yourself, your customers may do so and may require additional information from you on your products, such as Commodity Codes (CN/TARIC) and Country of Origin.

If your website acts as a source of product data for your customers, either explicitly via a product file download or simply by providing more detailed data on the individual product pages, you may want to review the information that is provided.

If you wish to provide additional product data to your customers via your website, please contact the axisfirst Web Services team as soon as possible to discuss your requirements.

3 GDPR

As we move out of the Brexit transition period, companies need to ensure that their handling of personal data as defined by Data Protection Act of 2018 and EU GDPR is being managed in compliance with the regulations.

Organisations must understand their roles and responsibilities within the legislation. Companies transferring data between the UK and EU need to be clear how the transfer of personal data must be managed and ensure they have templates, policies and procedures in place to demonstrate appropriate safeguards are operating and that data can continue to be shared across international borders.

Companies must also demonstrate that knowledge and understanding of the legislation is present at all levels throughout the organisation.

All axis vMerchant websites hosted by axisfirst are held in UK-based data centres, as are any staging servers and backups managed by axisfirst.

axisfirst is able to offer both GDPR practitioner services and training so please talk to us if you are unsure whether you are on track to be able to share personal data across borders.

4 Further Reading

This White Paper has been prepared using information published by HM Government.

All government information relating to Brexit is now collated together in a single location:

<https://www.gov.uk/transition>

This document is for general guidance only and represents our interpretation of the official guidelines at the time of writing. It is not intended to represent any commitment to deliver the functionality described. Both official government guidelines and our own are subject to change as this is a developing and changing situation; always check for the latest information.

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