



## **Changes in the Xicoy terms of sale & services to UK due at Brexit**

As a European Union online retailer, we have been informed of several new Brexit-related financial and administrative burdens that affect shipments to GB, except shipments to North Ireland, which continues as before, because N.I. remains within the single European market.

The new rules separate shipments to the UK into two categories. Shipments with a value greater than 135GBP (Aprox. 150EUR) are subject to the previously existing rules for shipments from third countries. The exporter ships the products without any added tax, and the importer pays VAT and duties to the courier when the product is delivered.

Shipments of a value up to 135GBP, under the new rules, first, we are now required to register for a VAT number and create an online account from HM Revenue and Customs (HMRC) in order to deliver e-commerce orders into the UK. After receiving a VAT number, we will be required to collect all VAT fees from our UK buyers at time of product purchase (presently 20%), then forward those fees to the appropriate UK agency every 3 months. This VAT fee was previously being completed when a parcel entered the UK, typically with the buyer having to pay VAT to release the package from Customs. The new WTO rules push that VAT tax collection burden to the online retailer in a 3th country outside the UK, who is exporting the product to the UK. We would also be required to pay the fees associated with the registering and all transaction fees every time the electronic transfer of collected VAT is sent to the UK government.

Additionally, the new rules require us to make our company's financial records available to UK government inspection upon demand.

Unfortunately, as a small vendor we are not staffed or resourced to comply with these new administrative requirements and financial burdens, and have therefore decided, with deep regret, to stop selling and shipping orders to UK customers of which value is less than 135GBP.

We regret to announce that we will no longer be accepting orders of less than 135 GBP from UK customers due to new unsupportable Brexit-related costs and other Brexit-related administrative requirements.