



# Why Expand Internationally into the UK, Germany and Beyond?

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## Why Expand your Existing Business?

- Keeps Business moving forward
- Lowers threat to profit as your competition increases
- Protects long term interest of Business
- Provides some insurance and lowers risk to business.



## Ways you can Expand your Existing Business.

- Develop or Source new products
- Create new brand
- Other domestic channels (e.g. eBay, Wal-Mart etc)
- Horizontal Expansion.



## Ways you can Expand your Existing Business.

- New products = **HIGH RISK & Potential Costs**
- Create new brand = **HIGH RISK & Potential Costs**
- Other domestic channels = **High Competition**
- Horizontal Expansion = **LOWEST RISK & BEST POTENTIAL**



## Horizontal Expansion - Is this the best way to Expand your Existing Business?

- Greatest Upside with Least amount of effort
- 95% work already done with your product range
- UK & German Marketplace still in relative infancy
- No Translation of Products initially required.



## Why sell into the UK and Europe if you are an established seller elsewhere?

Here are the key questions and reasons why everyone, including those established and already successfully selling, should consider expanding into the UK & German marketplaces.



## Here are the largest European e-Commerce Statistics

Estimated 2016

Country	Approx Annual Revenue
UK	\$60.04bn
Germany	\$52.77bn
France	\$36.02bn



## Why expand an established Amazon business into the UK?

- Easy to do as 95% work has been done
- Easier to register & sell into UK = Access to Europe
- USA market place becoming saturated with sellers
- Less Competition & potentially greater margins.





# Why expand an established Amazon business into the UK?

- Less sophisticated sellers = easier to compete
- Potential VAT Advantage for UK Limited Companies
  - Nett Saving could be up to £10k in 1<sup>st</sup> year
- **PROTECTS YOUR EXISTING BUSINESS\***
  - 61% Fear Amazon Close Account\*\*

\*\*Feedvisor - The State of Amazon Survey 2016

\* When using a separate UK Limited Company



## Can I use my LLC or do I have to Register a UK Limited Company?

	Using LLC or Foreign Company	Using UK Limited Company
UK Company required	No	Yes
UK Bank Account required	No	Yes
UK Address required	No	Yes
VAT Registration required	Yes	No* (sub £83k sales)
Approx 1 <sup>st</sup> year costs	£1,000.00/\$1,250.00	£3,250.00/\$4000.00*
VAT Charge (Based £83k)	£6,225 (\$7,800)	Zero
Vat Saving (Based £83k)	N/A	£10,000/\$12,500
Protects Existing Business	No	Yes
Access to all Europe	Yes	Yes
Vat registration in all EU	Yes - if stock held there	No if fulfilled from UK



## What is the Potential VAT Advantage for UK Limited Companies?

- Vat is UK's Sales Tax & always Included in Retail Sales
- Registration is not mandatory until after £83,000 sales
- Buyers will not know if registered for vat or not
- Effectively sell at Full Price and Keep additional margin



## How does that work & what are the benefits?

- £83k sales = approx £14k worth of VAT (20%)
- If Vat registered, needs to be paid to HMRC
- If not Vat registered, keep funds as additional income
- Cannot reclaim Paid Vat but can legally keep balance
- Nett benefit to business approx £10k



## What are the Biggest Issues sellers have expanding using a UK company?

- Why Register a UK company and not use existing LLC?
- VAT\*, Compliance, HMRC\*, EORI\*, accounting etc
- Opening a UK Business Account for collecting payments
- Finding the TIME to deal with everything
- What effect will BREXIT have?

\* VAT = Value Added Tax, the UK's Sales Tax

\* HMRC = Her Majesty's Revenue & Customs (UK's Tax Authorities)

\* EORI = Economic Operator Registration and Identification number



## What will be required to start the process using your LLC?

- Register with HMRC
- Obtain EORI number as essential to ship goods to UK
- Register for VAT as mandatory for all non UK companies
- Ensure fully Compliant, VAT returns completed quarterly.



# What will be required to start the process using an UK entity?

- Register a UK Limited Company
  - Requires 1 Director/Shareholder
  - UK registered Address
- Open a suitable business account for collecting payments
- Register with HMRC, Obtain EORI number & VAT monitoring
- Ensure fully Compliant.



# Why use a UK Limited Company?

(and not one in another European country)

- Easy to Register with No Capital Requirement
- UK Vat benefit, save approx £10k\* in 1<sup>st</sup> year
- UK EORI Number gives access to ALL Europe
- Hold Stock in UK for all EU sales - avoid extra EU Vat
- UK Prime Delivery, Germany Prime+1 Delivery.

\* Estimated





## How can you get started?

1. Register UK Limited Company
2. Open a UK banking facility
3. Ensure properly registered with HMRC, EORI etc
4. Arrange storage partners
5. Ship your goods
6. Start Selling & Making Money!



## How long will the process take?

- Company formation - 48 hours\*
- Business Account Opening - From 7 - 21 days\*
- HMRC, EORI & Compliance Registration 7-10 days
- Ready to trade - within weeks!

\* Subject to availability, T&Cs, documentation and successful ID checks.



# CONCLUSION

## Why Expand to the UK & Europe

- Protects Your Existing USA Business
  - One of Easiest Ways to Expand Existing Business
  - SUBSTANTIAL VAT BENEFIT - Save an extra £10k!\* (\$12,500)
  - Great Potential with All of Europe accessible
  - Less Risk with Horizontal Expansion
  - Less Saturated Marketplace = Greater margins.
- \* Approx average saving when using a UK Limited Company



## How can you start the process?

Visit our website at [www.extradirect.co.uk](http://www.extradirect.co.uk)  
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Thank You!