



# VAT Calculation Service (VCS) Developer Guide

Version 2017-7-17

## Contents

Introduction .....	3
1 Prerequisites .....	3
1.1 Account registration.....	3
1.2 VAT Calculation Service enrolment and benefits.....	3
1.3 VAT Requirement .....	4
1.4 Disable existing invoicing solution .....	4
1.5 Use the column picker to select output attributes.....	4
1.6 VAT Calculation Service additional resources.....	4
2 Technical implementation .....	4
2.1 VAT Calculation Service specific input .....	4
2.1.1 Prices.....	4
2.1.2 Product Tax Code Override.....	5
2.1.3 Partial Refund with VAT exclusive price .....	5
2.2 VAT Calculation Service specific outputs .....	5
2.2.1 In the Order reports.....	5
2.2.2 In the Tax report .....	6
2.2.3 In FBA reports. ....	6
3 FAQ.....	7

## Introduction

This document assists developers with the integration of the features that the VAT<sup>1</sup> Calculation Service (VCS) offers to sellers. It assumes that you have a full automation already in place to manage your catalogue, like stock updates and orders fulfilment using our MWS APIs such as Feeds, Orders or Reports API. If you do not have any automation in place, and you wish to automate, we recommend you set up a full automation using XML as described in [this Integration guide](#). In case you need further support, kindly [contact our seller Support](#).

The VAT Calculation Service (VCS) is an automated and free VAT Invoicing solution available to all professional sellers for all their sales across all European Marketplaces.

All professional sellers can benefit from the free and automated invoicing solution but Amazon Business sellers have access to additional business features such as VAT exclusive pricing display and the Amazon Business badge. Amazon Business sellers who use VCS have also higher chances to win the buy box.

In Europe, Amazon Business is available in Germany and U.K. For background, Amazon Business launched successfully in the U.S. in 2015, generating more than a billion dollars in sales in its first year. Amazon Business sellers and third-party Businesses in the U.S. enjoy features such as Quantity Discounts that can help increase their sales volumes.

## 1 Prerequisites

Sellers who wish to use VCS need to fulfil these prerequisites to have access to all the features.

### 1.1 Account registration

In case sellers do not have any Amazon seller Account, we recommend creating an Amazon Business seller Account from [this registration page \(DE\)](#) or [this registration page \(UK\)](#). Existing sellers can upgrade to an Amazon Business Account by clicking on [this link \(DE\)](#) or [this link \(UK\)](#).

In case sellers have an individual seller account, they need to upgrade their account to a professional seller Account to access the Amazon Business program as well as use our Marketplace Web Services (MWS) to which all sellers need to register to in [DE](#) or [UK](#) to use any automation.

### 1.2 VAT Calculation Service enrolment and benefits

Sellers can enroll into VCS from [this page](#). Enrolling into the VCS is a 4-step process that sellers will need to complete:

1. Fill all your EU VAT Registration Numbers.
2. Setup your EU default ship from address for Merchant fulfilled orders located within the EU28.
3. Setup the default Product Tax Code (PTC) of your products. These can be overridden at product level later.
4. Pick an activation date from when we will calculate and display VAT exclusive price and start invoicing.

VCS will provide the following benefits:

- Automated VAT invoicing for all Amazon sales for all the five European Marketplaces. Time & cost savings by reducing customer requests.
- Better visibility of your products for Business customers, better chances to win the buy box.
- VAT exclusive prices on the Business offers in real time.
- Business Badge: Only Business sellers who have subscribed to VCS will earn a Business badge.

---

<sup>1</sup> Value Added Tax

**Note:** We automatically enrol sellers into Amazon Business from the date they activate the service. Doing so implies that new Amazon Business specific columns are automatically added in several order reports (incl. FBA reports) such as “is-business-order” or “po-number”.

### 1.3 VAT Requirement

Sellers need to provide a VAT Registration Numbers for all locations where they ship from whether that’s Merchant Fulfilled orders (configured in the default ship from address) or FBA (Fulfilment by Amazon). For instance, if a seller ships from Austria and also uses the FBA Pan European Program allowing Amazon to dispatch the inventory in its Fulfilment Centers across 7 countries (U.K., Germany, France, Italy, Spain, Poland and Czech Republic). In that example, this seller needs to have 8 VAT Registration Numbers (Austria, U.K., Germany, France, Italy, Spain, Poland and Czech Republic).

Sellers who have questions about VAT Registration in Europe can learn more about the subject by going on our dedicated page: [UK link](#) or [DE link](#).

### 1.4 Disable existing invoicing solution

Once it is active, the VAT Calculation Service will calculate VAT and generate invoices for all European Amazon sales, as a result sellers need to ensure they disable their own invoicing from this day onward for all Amazon orders to avoid dual invoicing. To learn more how to identify orders where VCS generated an invoice, check section 2.2.1 and 2.2.2.

### 1.5 Use the column picker to select output attributes

Several relevant columns are available but not selected by default. You can use [the column picker](#) (accessible in seller Central in the Orders tab > Order Reports > Add or remove columns) to select what columns you want to include in your order reports. We recommend selecting at least “VAT Details” to surface the information that VCS created an invoice and also “Billing”, “Business orders”, “Buyer tax identifiers” for optimal reporting and invoicing experience.

### 1.6 VAT Calculation Service additional resources

To learn more about VCS, we advise sellers to read the [VCS Calculation Methodology](#), look at the [VCS FAQs](#) and the Webinar (available in [English](#) and [German](#)). In addition, sellers should also read [the EU VAT Rates and PTC help page](#) to know the VAT rate of each Product Tax Code by country.

## 2 Technical implementation

We have updated our APIs with new attributes unique to the VAT Calculation Service. As a result, there are few changes to perform to update your solution when sending the product information and processing orders as there are several new attributes to capture. In the following sections, we will list the new inputs and outputs to consider with examples.

### 2.1 VAT Calculation Service specific input

The only new attribute to consider is the Product Tax Code (PTC) in order to override, at the product level, the default value configured during the enrolment process. For XML, we have only updated [Product.xsd](#) and for Flat files we have updated the Inventory Loader File, Listing Loader, and the category-specific flat file all available [from this page](#) to include the Product tax code. We have also updated the Amazon Business specific files.

#### 2.1.1 Prices

There is no change in regards to the price feeds, all prices sent need to remain VAT inclusive. For activated sellers, their VAT exclusive price will be derived from the inclusive price provided automatically. Amazon Business offers will have the VAT exclusive price displayed on the search result, product detail, cart and checkout pages.

### 2.1.2 Product Tax Code Override

If the default Product Tax Code value defined in seller Central is not sufficient for all your products, then you have the possibility to override this value at the SKU level using feeds (XML or Flat File). Sending the Product Tax Code in feeds is optional and its possible valid values are listed in the category flat files.

- **Example in XML.** The element's name is *ProductTaxCode*.

```
<Product>
  <SKU>mySKU0001</SKU>
  <StandardProductID>
    <Type>EAN</Type>
    <Value>XXXXXXXXXXXXXX</Value>
  </StandardProductID>
  <ProductTaxCode>A_GEN_TAX</ProductTaxCode>
  <Condition>
    <ConditionType>New</ConditionType>
  </Condition>
  <DescriptionData>
    <Title>MyBrand - Women Summer Sandals 35 C (M) EU/ 4 B(M) US Black</Title>
    <Brand>HB</Brand>
  </DescriptionData>
</Product>
```

**Example with flat files.** The column's name is *product\_tax\_code*.

TemplateType=homeimprovement	Version=2016.1123	amazon.de vorgesehen. Verändern oder löschen Sie die obersten drei				b2b
Verkäufer-SKU	Hersteller-Barcode	Barcode-Typ	Titel	Marke	Steuercode	Business-Preis
item_sku	external_product_id	external_product_id_type	item_name	brand_name	product_tax_code	business_price
mysku001	XXXXXXXXXXXX	EAN	Title	Brand	A_BOOKS_GEN	12

### 2.1.3 Partial Refund with VAT exclusive price

You need to send your price always VAT Inclusive but the partial refund is the only exception. Whether you are using feeds (XML or Flat files) or seller Central, you need to send a VAT exclusive price because we will add it automatically afterwards. For instance, if the VAT is 20% and the item cost was 240 (200 + 40 of VAT), and you want to refund 50% (120) then you need to send 100 and we will add the VAT (20) automatically so the customer gets 120.

## 2.2 VAT Calculation Service specific outputs

### 2.2.1 In the Order reports

In order to surface the VCS related attributes in the order reports, please make sure to select the "VAT Details" Column in [the column picker of the order report](#). This is the only report where we surface this information and it is essential to consume it in order to access the following:

- **IsAmazonInvoiced** (or is-amazon-invoiced). If the value is true, then it indicates that the seller activated VCS and that an invoice was created for that order. It is useful to identify the moment from when you switch from non-VCS invoiced orders to VCS invoiced orders for instance.
- **VAT Exclusive price columns:** Item price VAT exclusive, Shipping price VAT exclusive, Gift wrap price VAT exclusive.

From the moment a seller activates VCS, here are important notes about the order report columns:

- **ItemPrice** (or item\_price) remains VAT inclusive.
  - **ItemTax** (or item\_tax) is now populated with the VAT amount.
- ➔ To obtain the VAT exclusive amount, you need to subtract the itemTax amount from the itemPrice amount.

**Note:** In case the seller activated VCS and itemTax equals zero, then it means that the transaction was zero-rated regarding the VAT and that we did not charge the VAT. There are several possible explanations like for instance a B2B EU Cross Border transaction or an international transactions (e.g. to Jersey, Australia).

### 2.2.2 In the Tax report

For all sellers who activate VCS, we recommend downloading daily the Amazon VAT Calculation Report available via the Reports API under the ReportType “\_SC\_VAT\_TAX\_REPORT\_”, which contains useful information about VCS orders such as the invoice number, the invoice link, the buyer VAT, and ship-from/ship-to information. An order is only available in this new report three days after its shipment.

### 2.2.3 In FBA reports.

There is a different behavior with the FBA Reports compared to the regular order reports. Alone, a FBA Report is not enough if the seller activated VCS. We recommend using the regular order report too.

From the moment a seller activates VCS, here are important notes about the FBA order report columns:

- **ItemPrice** (or item\_price) changes from VAT inclusive to VAT exclusive.
  - **ItemTax** (or item\_tax) is now populated with the VAT amount.
- ➔ To obtain the VAT inclusive amount, you need to add the itemTax amount to the itemPrice amount.

### 3 FAQ

#### 1. Who is eligible to use the VAT Calculation Service?

Every professional seller having an EU professional account can enroll into the VAT Calculation Service.

#### 2. If I use VCS, should I stop invoicing using my existing solution?

Yes. You should de-activate your existing Invoicing solution as soon as you start using VCS to avoid multiple invoices being sent for the same order, which is not tax compliant.

#### 3. Does VCS work for all my Amazon orders?

Yes, all sales happening on Amazon in Europe whether it is FBA or not, and for both Amazon Business and regular marketplaces.

#### 4. Does VCS work if I am not an Amazon Business seller?

Yes, but you will be limited to the free and automated invoicing solution whereas Amazon Business sellers also get the following benefits: VAT exclusive price display to Amazon Business Customers, Amazon Business badge and higher chances to win the Buybox.

#### 5. Does VCS work only in Marketplaces where Amazon Business is launched?

No, you have access to a free and automated invoicing solution in all the European marketplaces whether or not Amazon Business is launched.

#### 6. Where can I find the invoices generated by VCS?

You need to download the Amazon VAT Calculation Report using the MWS Reports API to access the invoices URL and then you need to click on the link one by one to download them.

#### 7. When will you support Bulk download for my invoice?

We are currently working on releasing such a feature. We will update this guide whenever it is launched.

#### 8. When do you generate an invoice?

We generate the invoice at the shipment time. All invoices will be available three days later in the Amazon VAT Calculation Report.

#### 9. Do I have only one invoice per order?

No, you have an invoice per shipment. For instance, if there are three shipments for an order, then we generate three invoices.

#### 10. If a Customer asks me "Where's my invoice?", what should I answer?

Customers can find their invoice in their regular order interface; we display the invoice in the same manner as if this was an order from Amazon.

#### 11. Do you create an invoice if I use the FBA Multi channel fulfilment (MCF)?

As MCF is used for non-Amazon orders like your own website, we do not create an invoice for external orders.

#### 12. I want to do repricing, how can I obtain Business Price and Quantity discount programmatically?

We have not updated yet our APIs such as Products and Subscription APIs to retrieve Business or Quantity discounts prices. We will update this guide whenever it is launched.

#### 13. I have other questions, how can I get help?

For any Tax questions, we advise you reach out first to your Tax advisor. In case you have questions about VCS then contact our seller Support via [Contact us](#) > Selling on Amazon > VAT Calculation Tool.