

Solution › VAT Rules

VATRules

Increasing Revenue with eClear's Unique
VAT Database for eCommerce



One Database for Your Whole Inventory





With more than 1.2 million tax codes, eClear's VATRules database gives merchants easy access to the EU's dizzying array of VAT rates and regulations. By applying the correct VAT rates, including reductions and exceptions in the respective countries, merchants not only comply with the applicable rules, but they can increase their profits.

Boosting Competitive Pricing with Tax Compliance

VAT rates on products in the EU vary. For example, children's clothes, shoes, and books are subject to a reduced VAT rate of 0% in Ireland, while a guitar is subject to the standard Irish VAT rate of 23%. In Portugal, on the other hand, children's items are taxed at the standard rate of 23%, while books and guitars are only taxed at 6%.





The different VAT rates depend on the local rules and regulations of each EU country. Many merchants apply the same product price when selling to other EU countries to simplify their processes. However, they often underestimate the losses that occur when local rules are not taken into account or their sources are outdated. Other merchants price their goods to be more competitive and oriented towards the price consciousness of the respective target market. In a highly competitive industry, it is vital to avoid unnecessary losses with overpaid VAT.

Strengthen Your Competitiveness with VATRules

	 Ireland	 Luxemburg	 Portugal
Net price 	200.00€		
Gross price using standard VAT rate	246.00€	234.00€	246.00€
Gross price with VAT calculated via VATRules	225.30€	221.40€	223.90€
Competitive advantage	20.70€	12.60€	22.10€

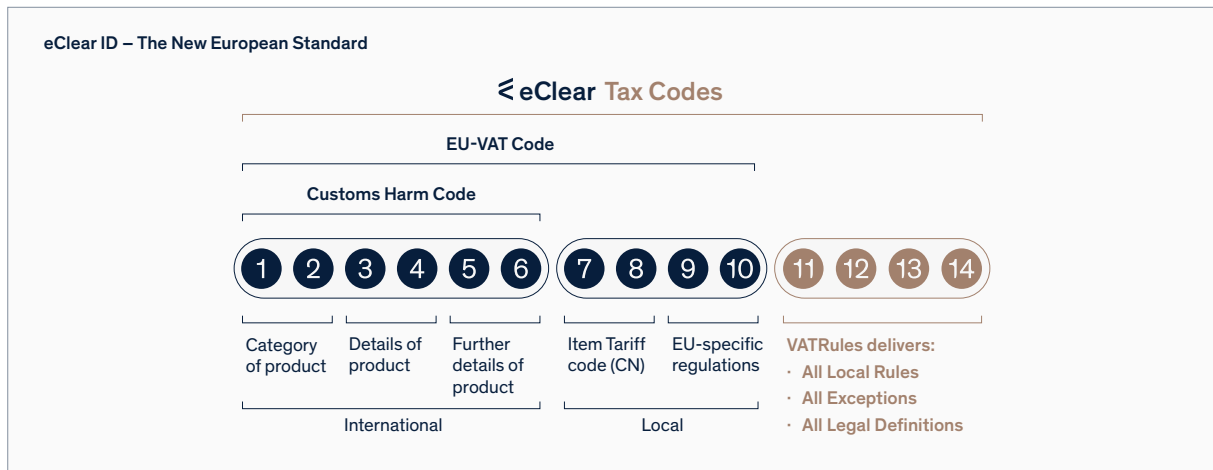
A sample shopping cart worth 200€ (net) containing four items (children clothing, children shoes, book and guitar) is distributed to three destination countries. The row 'competitive advantage' is representing the difference (in €) between application of one standard VAT rate on all items (IE 23%, LU 17%, PT 23%) and the correct VAT rate to each item (e.g. IE: children clothing 0%, children shoes 0%, book 0%, guitar 23%) calculated by VATRules. In this example, foreseeing the exact VAT costs with VATRules allows the merchant to offer this shopping cart for 21€ less in Ireland.

Increase Your Revenue with VATRules

	 Ireland	 Luxemburg	 Portugal
Gross price incl. VAT 	240.00€		
VAT costs applying standard rate	44.88€	34.87€	44.88€
VAT paid when using VATRules	24.68€	22.33€	24.54€
Additional revenue	20.20€	12.55€	20.34€

A sample shopping cart worth 240€ (gross) containing four items (children clothing, children shoes, book and guitar) is distributed to three destination countries. The row 'additional revenue' is representing the difference in VAT paid by merchant (in €) between application of one standard VAT rate on all items (IE 23%, LU 17%, PT 23%) and the correct VAT rate to each item (e.g. PT: children clothing 23%, children shoes 23%, book 6%, guitar 6%) calculated by VATRules. In this example, foreseeing the exact VAT costs with VATRules allows the merchant to add 20.34€ to his revenue on this cart in Portugal.

How VATRules Delivers the Correct VAT Rate



eClear's VAT database is the largest of its kind for EU Member States plus the UK, with 1.2 million allocations incl. 300,000 exceptions and it keeps growing with every update. Merchants assign their inventory to VATRules so the database can match each product with its corresponding VAT rate in every EU country. This is enabled thanks to eClear unifying the 27 individual tax systems into one.

Every single product gets its own 14 digit eClearID that gives merchants the accuracy that the ten digit EU TARIC standard lacks: the additional four digits point to VAT exceptions and reductions. To make sure that the VAT rates are up to date, eClear works with tax advisors in 30 countries to provide merchants with the correct tax rates on demand.

Benefits

- + **Tax-compliant application** of the relevant VAT rates for the EU-27 as well as the UK
- + Competitive advantages through **country-specific price calculations** taking into account currently applicable local VAT regulations
- + **Process optimisation** and **time savings** through automation in a one-time grouping process (fast go-to-market)
- + **Increase in customer satisfaction** through the correct application of local VAT rates

Features

- + More than **1.2 million tax codes** and over **300,000 exceptions** for the EU-27 plus UK
- + **On-demand** database, tax rates **continuously updated**
- + **Certified** data quality
- + High-performance **REST API**, certified response under 100 ms
- + **Native integration** into existing SAP business processes
- + Plugin available for **SAP S/4HANA** and **SAP Customer Commerce (Hybris)**

Certified security



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Payment service
in accordance with § 1 par. 1 sentence 2
no. 5 ZAG

 **BaFin**
Bundesanstalt für
Finanzdienstleistungsaufsicht

