My Duty Collect

MY DUTY COLLECT
Customs & Taxes solutions

Cross-border trade and omnichannel commerce are driving significant growth in today's global economy. E-commerce and online sales are growing exponentially; while in tandem the global e-commerce industry is undergoing rapid digital transformation and regulatory changes.

Regulatory changes such as EU VAT Harmonisation, Brexit and the Stop Act are introducing additional cost and complexity into the digital supply chain for merchants, consumers, postal and shipping companies.

Understanding and remaining up to date and compliant with global trade rules, while having access to effective shipping, classification and tax calculation tools are essential ingredient for success in the digital era.

Based on this understanding; MyDutyCollect has developed a comprehensive suite of classification, calculation, payment and customs automation solutions designed to support companies engaged in e-commerce, logistics and supply chain.

Our intelligent solutions are designed with a holistic and global logic, to be scalable and modular and to meet the needs of customers and businesses now and into the future.

Parcel Journey

Customer Purchase → Customs Procedures → Postage & Packing → Delivery

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HS Classification, Landed Cost Calculation, Customs & Taxes Payment Collection

HS Classification → Landed Cost Calculation → Notification → Payment

LANDED COST CALCULATION

Countries have recently reduced their Value-Added Tax/VAT rates aiming at attracting more customers and keeping the economy going mostly due to the recent COVID-19 pandemic, which has consequently contributed to a peak in the number of parcels going back and forth around the globe. MDC's API system for Landed Cost Calculation is perfect for traders who ship products overseas and have to deal with all the burden of tax calculation, currency conversion and shipping documentation requirements.

The system works in six different languages with all the most accurate and updated information regarding customs and import regulations, including recent changes, e.g., Brexit, Prohibited Items and Denied Parties lists, aiming at avoiding any potential risks and financial exposures to its users. Based on the characteristics of the parcel, the system will calculate with accuracy the corresponding VAT, duties & fees and process the documentation requirements of getting a shipment cleared sent to its destination without any inconveniences. When calculating Landed Costs, the engine can consider:

- The Costs of Shipping
- Applicable Duties
- Taxes and Fees
- Insurance
- Currency conversion
- Regulatory Fields
- Fraud Prevention
- Handling Fees
- Additional Duties

National authorities impose barriers to the entry of certain products through Customs Acts, where they publish a list of goods that are restricted or prohibited from being imported into the country. Lists can vary from nation to nation according to culture, principles, religion, etc. For this purpose, MDC has developed an automation system to screen restricted and prohibited products for each country in particular. This tool is simple and objective to assist the user in the negotiation process with customers once it anticipates checking the availability of the entry of certain goods into a country.

From time to time, countries may delete any goods from or add any goods to the Restricted and Prohibited imports list. It's important to be aware of what those items are to not have problems when exporting or importing goods.

MDC's engine excels at providing the best solution for businesses once both lists are constantly being updated to comply with the countries' import restrictions. The engine can also differ between Restricted and Prohibited goods and recommend the appropriate documentation to be followed. While the former requires legal approval in the form of a license/permit to enter a country, the latter is strictly forbidden from being imported under any circumstances.

Some international shipping companies obtain their lists of prohibited products, which don't maintain any relationship with countries' national interests. Companies create and maintain their lists exclusively due to their policies and practices.

RESTRICTED AND PROHIBITED ITEMS

DENIED PARTY SCREENING

Also known as Denied Trade, Denied Party Screening is a general term for when companies/people screen the customers or buyers of their products to make sure they don't have any sanctions in the US and the UN. The Department of State, the Department of Commerce and the Department of Treasury of the United States are responsible for issuing lists of individuals, companies and other organizations who may not be considered safe for trading and doing business with. These lists are used by corporations and business people everywhere else around the world.

Companies do DPS mainly because they seek to comply with international laws and regulations but also to become familiar with whom they are doing business

with. Today's export controls are more targeted at specific entities and individuals who may have somehow violated international regulations than only countries as it used to be before the end of the Cold War in 1991.

To ensure the integrity of customers, suppliers, partners and employees, MDC has developed a solution that helps keep track of trade compliance and global trade management in an up-to-date fashion. The API simplifies global trade and trade compliance mechanisms by focusing on automating the user experience and business processes to ensure high levels of trade conformance. The engine will run through lists of customers and screen them searching for information on whether eventual partners are compliant or not.
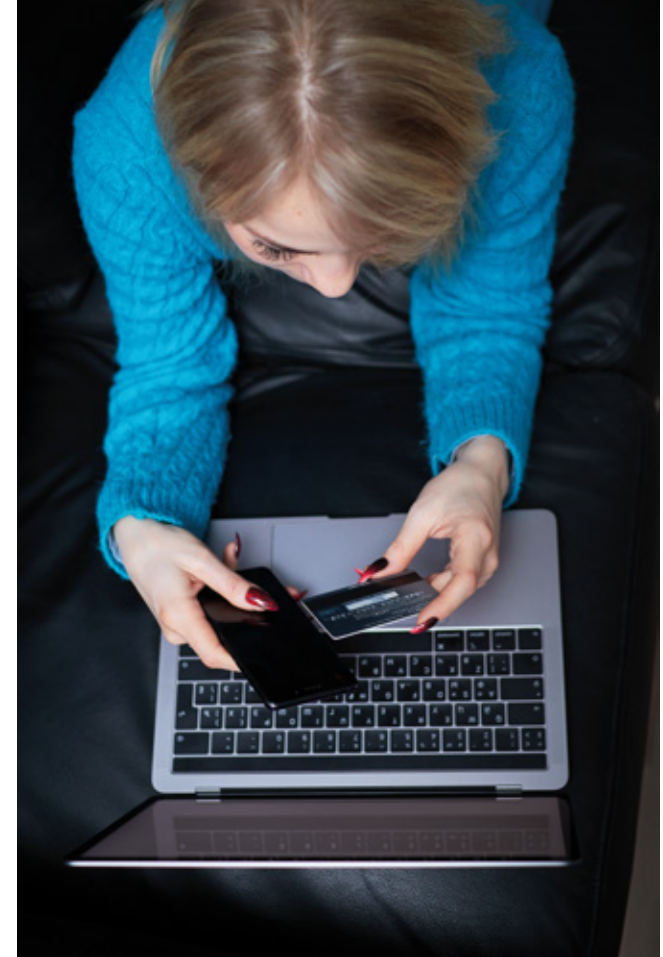
MDC's API engine can screen:

- Vendors
- Suppliers
- Clients
- Prospective Hires
- Research Collaborators

Cloud-based VAT/Tax and Duty calculation, notification and payments automation solution, providing flexibility for Customer to automate and streamline the collection of Taxes and Customs fees in order to:

- Increase first-time delivery and efficiencies in the delivery of parcels.

- Increase and accelerate Taxes and Customs payment collection times.

- Provide real-time information and transparency in relation to customs and Taxes payments for merchants, customers and customs authorities.

- Facilitate consumers access to reporting in relation to Taxes and Customs payment history.

- Provide users of the platform with control of their transactions & reporting.

- Provide the ability for customers to accelerate refunds and associated reporting.

- Facilitate API integrations with third-party platforms.

- Multilingual options for selected markets.

- Multi-currency payment options Document and proof of purchase verification facility.

CUSTOMER NOTIFICATION & PAYMENT COLLECTION

VAT IOSS VALIDATION

MDC's automation engine works intelligently and up-to-date with the newest rules stipulated for Value-Added Tax (VAT) and Import One-Stop Shop (IOSS) in e-commerce transactions. The engine doesn't fail to validate and provide complete and accurate data for seamless transborder transactions, essential for customs declarations and processes, considering the end of the VAT exemption for low-cost purchases made inside and outside the European Union.

Cross-border sales will start to follow the destination principle. It means that the VAT rate charged will be that of the final consumer, e.g. An Irish shopper will be charged at a 21% rate on online purchases once this is Ireland's current VAT Rate.

These rules changes are motivated by an attempt to reduce massive amounts of money lost every year, considering the boom of e-commerce sales and the fact that online merchants manage to find ways of escaping the current taxation system. The new system strengthens local markets since products imported under the current conditions are likely to be cheaper than those produced locally.

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