

ePAL - sell into the EU without building a tax department

A practical guide for small merchants selling cross-border.



TL:DR

Selling into the EU sounds simple. Until it isn't. Merchants quickly encounter:

- VAT removal and destination VAT rules
- The €150 IOSS threshold & Intrinsic value confusion
- Customs duty calculations
- Tax on shipping differences by country
- Shipments held at customs
- Customers charged at delivery
- Registration, reporting and representation requirements

At that point, most small businesses think: "Do I need a tax team to do this properly?"

The answer is no. But you do need the right infrastructure: ePAL.

The problem

Most small merchants rely on:

- Basic tax plugins
- Marketplace defaults
- Manual calculations
- Advice from forums
- Third-party logistics providers

The issue is not effort. It is alignment.

Checkout calculations often do not match how customs authorities evaluate each shipment.

That mismatch causes:

- Unexpected duties
- Failed IOSS flows
- DDP shipments that still generate fees
- Delivery refusals & returns triggered by tax surprises
- Reputational damage

This is not a marketing issue. It is a systems issue.

What you actually need

To sell into the EU confidently, a small merchant needs:

1. Accurate VAT removal and destination VAT application
2. Correct customs duty retrieval and calculation
3. Proper tax-on-duty logic
4. Country-specific VAT-on-shipping handling
5. Clear IOSS eligibility validation
6. Product classification aligned with customs requirements
7. Sanctions and excise checks
8. Fulfilment-stage revalidation
9. Reliable customs documentation
10. A path for representation and reporting

That sounds like a tax department.

The infrastructure approach

Instead of building internal compliance capability, merchants can:

- Use a landed-cost engine that aligns checkout with customs logic
- Automate VAT, duty and threshold handling
- Validate IOSS eligibility before shipping
- Generate customs-ready documentation
- Revalidate data at fulfilment
- Integrate with tax representation partners
- Prepare for declaration automation

That sounds like ePAL.

How ePAL fits in

ePAL is designed to be that alignment layer. It orchestrates data between:

- Your store or API
- Your checkout
- Your fulfilment process
- Your customs declaration

It ensures that:

- What the customer sees is what customs sees
- VAT, duty and shipping logic follow destination rules
- IOSS is applied correctly
- DDP behaves as expected
- Data remains consistent from sale to shipment

It does not block checkout. It gives you the data to make informed fulfilment decisions.

What about registration and reporting?

Infrastructure alone is not enough.

EU selling may also require:

- IOSS registration
- VAT reporting
- Fiscal representation

ePAL works alongside specialist partners to support:

- Representation
- Reporting
- Remittance
- Data transfer for compliance

This means small merchants can access enterprise-level compliance capability without hiring internally. Regulations are complex. Systems should not be. The right infrastructure lets small merchants compete internationally with confidence.