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Gail Cole • Jan. 26, 2021



Brooks England has been manufacturing leather bicycle saddles (aka, seats) in its West Midlands factory for more than 150 years. But now, thanks to Brexit and the new [U.K. ecommerce package](#), British bicyclists can no longer purchase British-made seats from Brooks England.

Brooks England was purchased by the Italian company Selle Royal in 2002. Today,

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can only purchase Brooks England products through online partners and Brooks Premium Dealers.

That message is echoed by Extra UK, Brooks England's British distributor: "[UK distribution through Extra UK is unchanged](#)." Extra UK obtains British-made Brooks England products directly from the West Midlands factory.

Prior to Brexit and the implementation of the U.K. ecommerce package, companies with locations throughout the EU could freely move goods between the U.K. and other EU member states. But now that the U.K. has left the Customs Union and VAT regime, goods shipped from the EU into the United Kingdom are subject to new value-added tax (VAT) and customs obligations.

Effective January 1, 2021, goods shipped to the U.K. with a sale price at or below £135 are subject to sales (supply) VAT at checkout, for which a regular U.K. VAT return must be filed. Import tax applies to shipments exceeding the £135 threshold.

Register to collect VAT at the point of sale or stop selling in the U.K.

As Avalara Vice President of Global Indirect Tax Richard Asquith notes, "[For ecommerce sellers, this means extra VAT registrations or having to stop selling](#)." He notes that this applies to U.S. sellers too: They must now register in the U.K. or stop selling ≤£135.

Brooks England isn't the only company that's opted to stop selling. Among bicycle businesses alone, Netherlands-based Dutch Bike Bits, German [Canyon Bicycles](#) and [Rose Bikes](#), and Italian [Campagnolo](#) all suspended shipments into the U.K. while learning to navigate the stormy seas of Brexit. Most plan to resume normal business as soon as possible.

Campagnolo's Nicolo Ildos explains, "We stopped direct sales since the deal wasn't

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submit payments to 195 tax offices in 195 different countries, and jump through whatever hoops were required to prove that we were doing all of this honestly and without any error. Therefore from mid December 2020 onward we ship to every country in the world... except the UK."

Companies that do business in Britain are understandably frustrated. Though it's long been known the U.K. would exit the EU VAT regime on January 1, 2021, the massive [EU-UK Trade and Cooperation Agreement](#) wasn't signed until December 24, 2020. A lot of questions were left unanswered until the last minute. And tax compliance has become much more burdensome.

Like most storms, this one will likely eventually blow itself out. In the meantime, to learn more about the impact of Brexit on businesses selling to U.K. residents:

- Read this [Brexit VAT & Customs checklist](#)
- Visit the [VATlive blog](#)
- Watch [Brexit: the morning after VAT and customs summit](#)

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Gail Cole has been researching, writing, and reporting tax news for Avalara since 2012. She's on a mission to uncover unusual tax facts and make complex laws and legislation more digestible for accounting and business professionals — or anyone interested in learning about tax compliance. [Get more sales tax news from the Avalara blog.](#)

Sales Tax

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