

How to Navigate Tax Compliance

To comply with tax regulations in global markets, companies have historically either registered for their own local tax IDs or worked with a third-party fiscal service provider. However, both of these methods have often been much more costly and time-consuming than brands had anticipated. That's why we created [Passport Seller of Record™ \(SOR\)](#) — an efficient solution to handle [international tax responsibilities](#).

Use this guidance document to help you evaluate your options and decide the best [tax compliance](#) approach for your business.

Tax Compliance Options

Do It Yourself



Registering for your own tax IDs is often the most time consuming approach as you must manage enrolling, reconciling, and reporting taxes yourself.

COST: \$ \$ \$ **TIME REQUIRED:** ⌚ ⌚ ⌚

Outsource to a Third-Party



When hiring a third-party fiscal service provider to manage your tax filings, you'll still need to collect the proper data, send it to your provider, and reconcile it.

COST: \$ \$ \$ **TIME REQUIRED:** ⌚ ⌚ ⌚

Use Passport's Seller of Record™ Solution



By utilizing the Seller of Record program, Passport handles all aspects of your tax responsibilities for an administrative fee calculated as 5% of the tax collected.

COST: \$ \$ \$ **TIME REQUIRED:** ⌚ ⌚ ⌚

Passport Seller of Record™ vs. Fiscal Service Provider

How much could I save by using Passport's Seller of Record program instead of hiring a third-party fiscal service provider?

Work Required Without Passport:

Initial Registration (One-Time)

- Research fiscal solution providers **10 hrs**
- Request quotes and send required details **5 hrs**
- Review quotes, get internal approval, select provider, and sign contractual agreements **8 hrs**
- Collect and provide company details for registration **2 hrs**

TIME REQUIRED: 25 HOURS

EU Monthly IOSS Filings (Ongoing)

- Collect, review, validate, and upload data to provider portal **10 hrs**
- Respond to provider requests to reconcile data **2 hrs**
- Review and approve updated filing **2 hrs**
- Pay filing and submit proof of payment to provider **2 hrs**

Required Time
Monthly: 16 hours
Annual: 192 hours

UK Quarterly VAT Filings (Ongoing)

- Collect, review, validate, and upload data to provider portal **16 hrs**
- Respond to provider requests to reconcile data **4 hrs**
- Review and approve updated filing **2 hrs**
- Pay filing and submit proof of payment to provider **2 hrs**

Required Time
Quarterly: 24 hours
Annual: 96 hours

YEARLY TOTAL: 288 HOURS

Costs Without Passport:

Average Registration Cost: \$1,750+ Per Market
Year 1 Costs: \$3,000 - \$5,000 Per Market
Ongoing Annual Costs: \$2,500 - \$3,500 Per Market

With Passport Seller of Record™:

Passport charges a nominal fee for this service calculated as 5% of the tax collected

Interested in Passport's Seller of Record Program? Reach to us at vat@passportshipping.com.