

Shop-floor Globalisation and the Challenges to Regulate Cross-Border E-Commerce: Evidence from Brazil

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Introdução

E-commerce encourages small businesses and individuals (Blegen, 2023) to trade internationally, which is beneficial for empowering local communities but poses challenges for customs controls worldwide (Blegen, 2020; Liu et al., 2022). Cross-border e-commerce (CBEC) brings other new challenges regarding regulatory compliance and data quality (ITC, 2017; Singh; Munjal & Kundu, 2023a). International consignments have taken centre stage in global trade and the flow of goods across borders. Changes in this area have been rapid, voluminous, and consistent.

Problema de Pesquisa e Objetivo

Along with this new type of globalisation, individuals and small and medium enterprises (SMEs) at both origin (export) and destination (import) reveal a greater degree of customs risk due to the lack of prior information on the players, poor data quality, history of their operations, the products traded and their value, facilitating under-invoicing and trade of fake products which threaten the security of society and generate potential losses for national companies. generate potential losses for national companies, , intending to answer how do we address the need for better data quality.

Fundamentação Teórica

Platforms facilitate transactions, bring buyers and sellers into contact, reduce costs, and generate scale and network effects (Nerbel & Kreutzer, 2022), opening a new venue for business opportunities in the digital world. However, regulation and taxation have been chasing it, dealing with data scarcity and high uncertainty (Sirimanne, 2022). In the present globalised world, e-commerce is conducted by SMEs (Cassia & Magno, 2022) and individuals in a movement where global buying and selling has reached its closest to subjects, transforming them into direct buyers of foreign goods.

Metodologia

This qualitative exploratory research analyses the Brazilian case of CBEC control and regulation focusing on the PRC (Programa Remessa Conforme - Compliant Shipment Program) legislation, launched in June 2023 as an attempt to improve data quality management. Data were collected by means of in-depth interviews with customs officers and postal service employees who oversee the customs administration in Parana state, city of São Jose dos Pinhais, besides field visit and archival data.

Análise dos Resultados

As per the interviews conducted with Curitiba city customs authorities, around 80% of the goods imported into Brazil via CBEC belong to the apparel and accessories sector. International e-commerce, notably, has significantly disrupted conventional retail industries, leading to job losses (Zhu et al., 2023) and affecting tax competition (Agrawal & Fox, 2017). Another approach competitors have taken to CBEC is called 'digital smuggling' because it improperly uses de minimis. We termed this new phenomenon 'shop-floor globalisation,' in which natural persons are direct importers via platform

Conclusão

Compliant operators or those who join the compliant shipping program are expected to provide better customs risk management, focusing on companies, platforms, and operators which have yet to

join the compliance program. Individual importers benefit from platforms participating in the program since they will receive their cargo more quickly and be exempt from import tax up to USD 50. Pressure from national retailers to end de minimis or differentiated taxation will likely continue significantly since the market share is increasing in favour of foreign platforms.

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