



**Meijburg & Co**  
Tax Lawyers



# Tax Intelligence Solution

A data and analytics solution for Trade & Customs

## The challenge

In many organizations, trade & customs professionals are tasked with “doing more with less” and “running lean compliance functions” although the number of import and export transactions actually increases.

Simultaneously, the global trade & customs landscape is changing. Robust reporting, analytics, and ultimately, proactive compliance are becoming the default.

Strategic trade & customs compliance and operational efficiency through data and analytics (D&A) are key to running a successful trade & customs function.

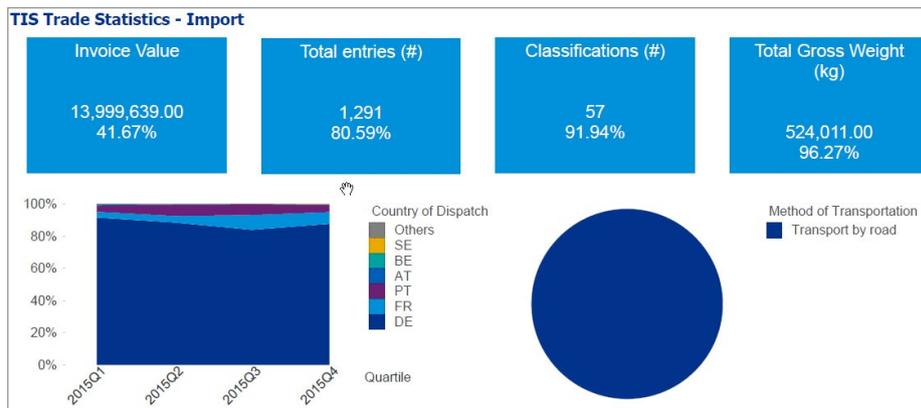
Leading companies have adopted processes and controls to evaluate their data on a continuous, periodic basis, and many organizations use such information to trace key performance indicators for their trade function and third-party agents, such as customs brokerage and freight forwarders. Organizations should prepare for a new era in trade & customs, and it all starts with D&A.

## Managing risk of successor liability with D&A

An industrial manufacturer recently used the Tax Intelligence Solution (TIS) to review three years of import transactions of a target entity that was being acquired in a corporate transaction.

By uploading the target entity’s import data for review, the acquiring company was able to team with us to identify a latent compliance error, which could have resulted in potential duties and penalty exposure. By identifying the error early, the acquiring entity was able to manage successor liability associated with acquiring the target entity.

TIS puts your trade & customs professionals proactively in control over the trade & customs process, which can enhance compliance and savings and ultimately help your organization avoid financial, reputational, strategic, and operational risks.



## The opportunity

Using D&A tools, organizations now have the opportunity to transform trade & customs data into value.

Imagine being more certain on duty spend and customs declarations, finding overpaid or under claimed duties, and revealing buried business opportunities or efficiencies.

By having access to the organization’s trade & customs data and the corresponding analytics in a concise, meaningful, and user-friendly way, trade & customs professionals will be empowered to drive their own trade & customs function, focusing on identifying risks, leveraging opportunities, and improving performance.

Stop struggling with your data. Start winning with it.

## How can we help?

Our Tax Intelligence Solution is an integrated suite of trade & customs technology analytical tools, methodologies, and insights that allow organizations to gain quantitative insights and visibility into the compliance, process efficiencies, and opportunities—driving real quantitative value for the trade & customs department, financial department as well as the overall business.

Experienced trade & customs analytics advisers in our (KPMG International) member firms combined with the powerful D&A methodology of the Tax Intelligence Solution, can help you transform your trade & customs data into insights. From uncovering compliance risks to unlocking opportunities in transactional data, our clients can achieve enhanced global compliance, monitor accuracy, maximize savings opportunities, and create new efficiencies for the trade & customs organization.

## TIS provides:

- Options for interfacing import and export transactional data from various countries and sources (e.g., internal or external)
- The ability to “enrich” transactional-level trade & customs data with meaningful data from other sources that is key to an analysis, including but not limited to free trade agreements available based on specific trade lanes, relevant customs rulings for a specific tariff classification
- Data visualization and reporting tools to allow easy manipulation and refinement of relevant trade data topics (e.g., tariff classification, country of origin, entry type, incoterm, etc.)
- Ability to review relevant trade & customs data topics by value, duties, and count
- Projected savings for various cost savings topics
- Quantification of potential exposure as a result of identified trade compliance risks

**TIS Customs | Import | Summary**

by Month | by Quartile | by Half Year | by Year

General	Y2015Q1	Y2015Q2	Y2015Q3	Y2015Q4
Entered Value	32.612.100,12	42.882.108,95	44.687.090,08	38.070.203,74
Invoice Value	39.176.490,92	53.295.936,65	53.817.177,00	48.965.599,89
Total Paid	5.162.017,37	5.485.852,99	6.368.050,36	4.253.396,57
Total Duty Paid	989.192,09	884.685,06	1.012.950,66	715.334,88
Customs Duties Paid	986.206,58	880.416,02	1.011.120,02	712.909,04
Total VAT Paid	4.172.825,28	4.601.167,93	5.353.099,70	3.538.061,69
Average Duty Rate	3,02%	2,05%	2,26%	1,87%
Total Freight costs	121.798,25	146.263,51	115.012,55	94.944,80
Total Insurance costs	1.537,88	1.828,62	1.008,66	1.058,95
Other Charges	2.985,51	4.269,04	1.830,64	2.425,84
Entry Count (#)	16.712	15.503	20.203	11.328
Classification Chapters (#)	25	30	22	20
Classifications (#)	203	257	206	121
Countries of Origin (#)	29	25	26	19
Countries of Dispatch (#)	27	27	23	16
Countries of Destination (#)	1	1	1	1

**Summary Metrics:**

Total entered value	158.251.502,89	100,00%
Total Paid	21.267.317,29	100,00%
Customs Duties Paid	3.590.651,66	100,00%
Total VAT paid	17.665.154,60	100,00%
Effective Duty Rate	2,27%	
Classifications (#)	381	100,00%
Total entries (#)	63.705	100,00%
Total Entry Lines (#)	67.637	100,00%

## Tariff analyses

We reviewed ERP and customs data for a large importer and uncovered the company's classification were spread out over multiple commodity codes with respect to a unique article number.

Upon further analysis, we noted that the company did not use preferential tariff. By setting up a tariff classification process the company could potentially achieve considerable duties and cost savings.

As a result of the analysis, the company realized savings.

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## Tax is our business

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