



# The Compliance Burden?

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# Your Geeks today are:



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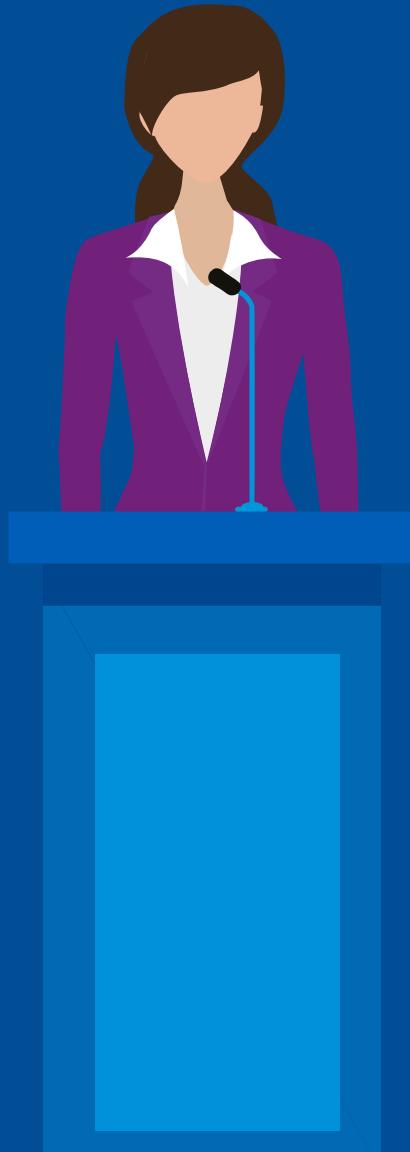


**Jeeven Pawar**

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Trade & Customs UK

# Welcome

- **Brexit 2.0**
  - Our last webinar looked at the continuing changes at the UK Border
  - Brexit 2.0 arrived on 1/1/22 with;
    - new systems
    - new processes
    - an end to some easements
- **Q&A Feedback**
  - Our Q&A session was lively and interesting
  - Compliance was the core issue for many
  - This webinar concentrates in compliance in the customs field
  - More importantly – how automation can make the burden a virtue





# Customs Compliance – Why and What??

**Frederik Cappelle**



# How can we mitigate the customs risks?

- Post-clearance document checks
  - Documented customs procedures
  - Apply for BTIs in cases of uncertainty
  - Management to audit the process
- 
- Checklist and selection criteria for brokers and 3PL's
  - KPI's for customs compliance
  - Instruct customs brokers in writing (template)
  - Power of attorney for representation
  - Check entries for errors and request amendment (escalation)
  - Ensure responsibility for error is covered in a written contract with the agent
  - Internal procedure on 'Customs due diligence & management controls'

## Internal risk management



## External risk management



## Fines and sanctions



- Payment of the additional import duties
- Late-payment interest
- High legal fines
- Seizure of goods
- Supply chain disruptions

# Documented customs procedures



## Global policies

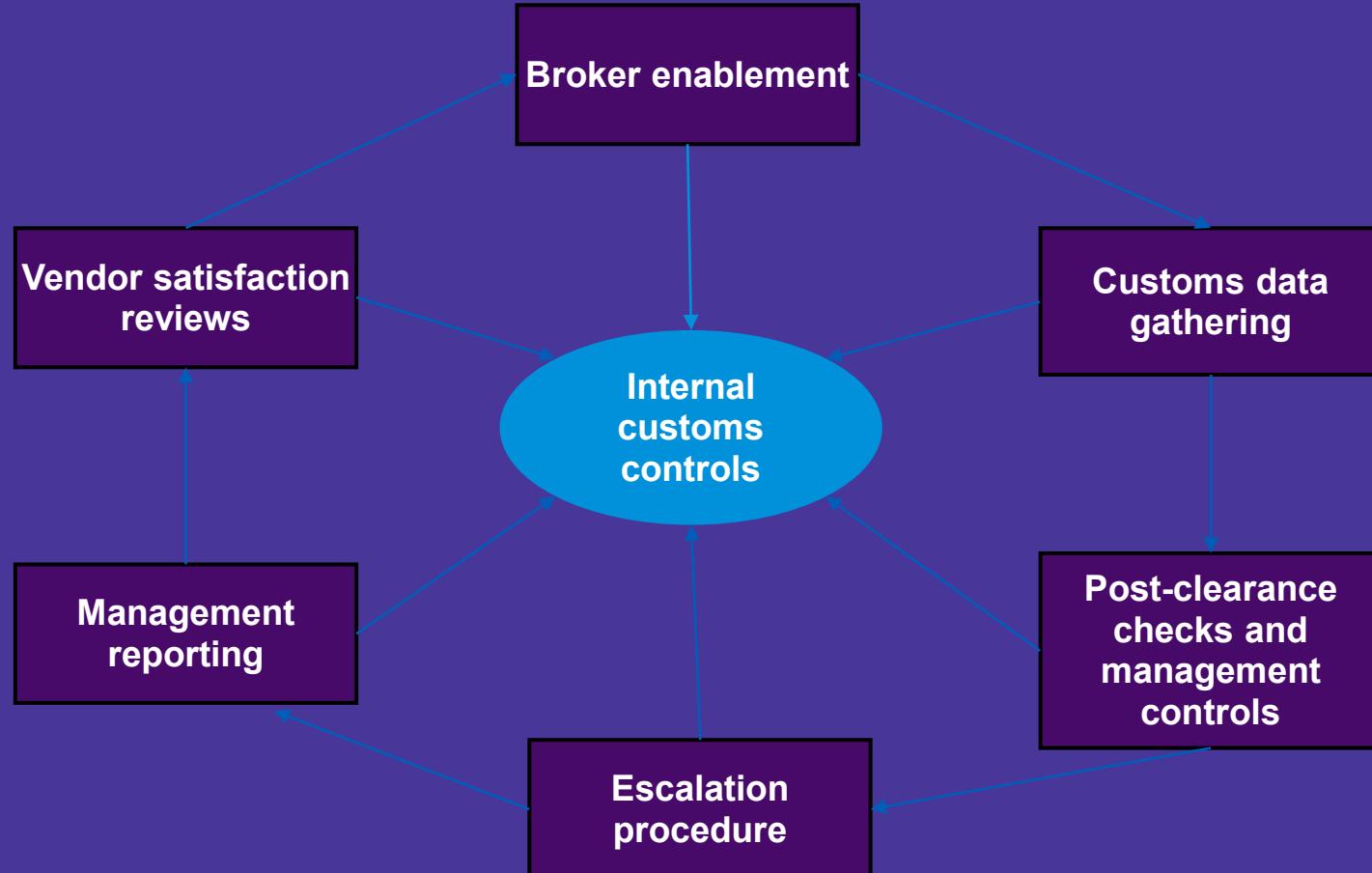
- Tariff Classification
- Origin of Goods
- Customs Valuation
- Export Control and Restrictive Measures
- Anti-dumping and Countervailing Duties

## Due diligence programme

## Standard Operating Procedures

- Export Procedure
- Import Procedure
- Transit Procedure
- Customs Warehousing Procedure
- Temporary Storage
- Broker Management

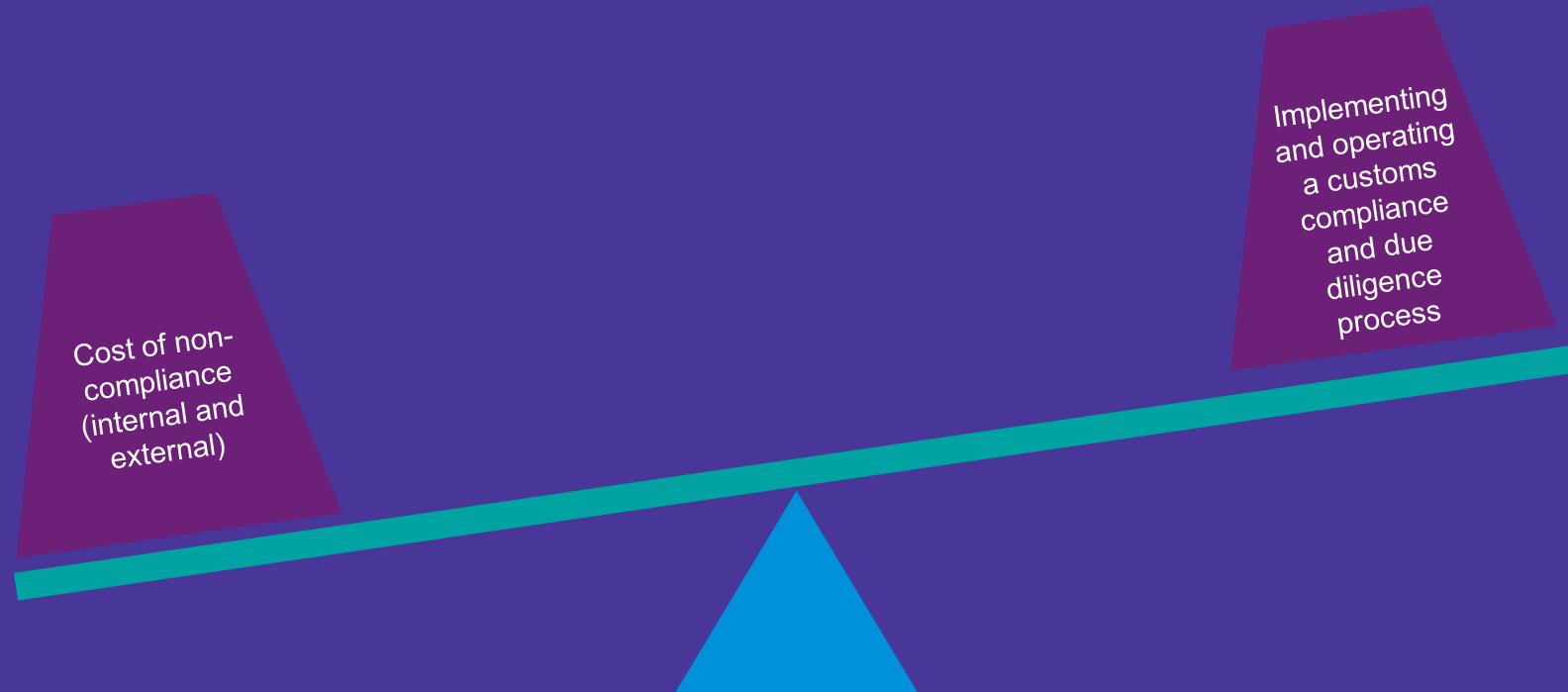
# Customs due diligence programme



# Some basic questions when drafting internal control procedures



# A tailor made approach





# Origin - why is compliance key?

Lorenzo Rossetti



# Origin - Why is compliance key?

- **Take the TCA as the example**
  - TCA – delivers zero duty/zero quota but at the price of meeting rules of origin
  - Compliance – and more importantly, evidence of compliance and due diligence (for the importer as well) is an absolute
  - Non-compliance has a direct impact on your customer (they will have to pay back duty if you have not complied) but as a minimum, it has a relationship and reputational hit
  - The Suppliers Declaration easement of last year brings another headache for compliance going forward and retrospectively for 2021 – which is more worrisome
  - There is a real risk that some exporters will issue Statements on Origin because they are in the EU or the UK and “that’s all that matters”
  - Although trade agreements look towards customs to customs validation – many also look at the importer in the first instance



# Audits are on the way!!

Jeeven Pawar



# Audits - Why , What & How?



## HMRC Audits

As with almost all taxes, HMRC govern traders compliance with customs legislations and regulations. HMRC are also responsible for authorising special procedures and simplifications.



## What?

### Audits are Here

- Significant increase in HMRC compliance audits
- On site visits and authorisations
- Differing style – Self – Assessment vs selected entries
- Differing Focus – Origin, classification, valuation, Returns, Repair



## Why?

### Time & Resource!

- Covid 19 Pause - front line officers reassigned to covid support schemes.
- Brexit Pause – Designed to give businesses a chance to adjust
- Own Resource – UK Government Tax Revenue
- EU Infraction – Legacy compliance and strong borders.



## How?

### Real Life Examples

- Transshipment risk, failure to maintain preference.
- Preference evidence and mutual assistance
- Related parties – valuation, tooling, assists, R&D
- Returns & Repairs – Evidence and suitability



## Prepare

### Preparation is Key

- You are the importer, your responsibility and liability.
- Origin assessments
- Health checks - external or internal
- Automated tools
- Operating procedures
- SAO & BRR

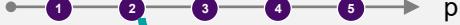


# Data Analytics; Compliance and Insight *What's not to Love?*

Ian Cusack



# Leveraging Data Analytics - Trade Data Capabilities

Capability	Maturity	Current level of adoption	Need level
Trade Compliance Workflow Metrics	Medium Maturity		Medium – Existing capability exists in tracking productivity of tasks, though not fully adopted and additional depth and visibility needed.
GTM System/ Master Data	Mature		Medium – GTMs to house master data to serve global compliance activities are generally adopted and mature.
Data & Analytics	Medium Maturity		Medium – Companies generally access and use their trade data, but often isolated to the trade team and used for reference as a point in time analysis only.
Data management to identify & correct errors at source	Low Maturity		Medium - Companies are seeking ways to avoid errors at source v. corrections.
Post-filing Reconciliations	Low/Medium Maturity		High - Companies are seeking greater level of automated review of filings.
Reporting	Medium Maturity/ Mature		High – existing capability exists, but reporting can be cumbersome and not detailed enough to provide real-time actionable insight.

Initial   Emerging   Evolving   Defined   Optimized

# Leveraging data analytics - Benefits

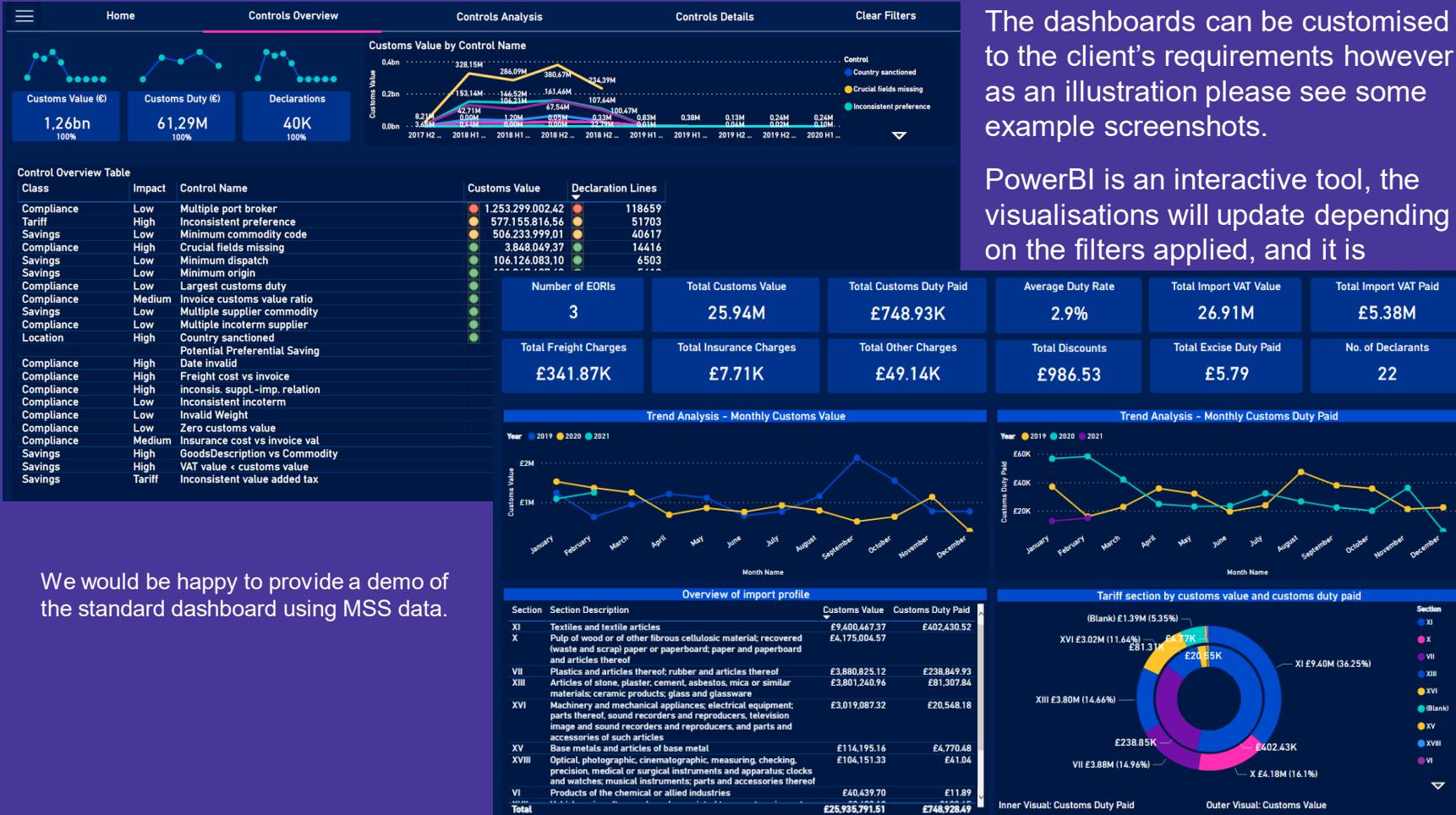
With the increase in the volume of import and export declarations post-Brexit, we are seeing a number of clients looking towards process efficiencies through automation and in particular data analytics.

Customs data analytics can support you to interrogate your customs & trade data as follows:

- **Increased visibility:** providing summary dashboards and key metrics in an easily accessible portal,
- **Process efficiency:** once up and running, new data can be set up to flow through and refresh the dashboards on an ongoing basis,
- **Compliance support:** check 100% of your entries against a standard repository of common risk parameters included with the tool,
- **Customisable:** risk parameters can be tailored to a client's customs profile, and new checks / visuals can be added as needed,
- **Time saving:** free up customs team member's time to focus on investigating the potential exceptions / opportunities identified.

Our customs data analytics tool has c.30 inbuilt checks covering a mixture of compliance and potential opportunities, and is customisable based on the client's customs profile – please see the following slide for some example dashboard screens.

# Illustrative dashboard screens





# CAS - When Compliance Just Happens!

**Wim Verbeeck**





# Q&A?

????????????????????

A series of twelve question marks arranged in two rows of six. All question marks are white, except for the sixth one from the left which is red.

The Geeks



# Thank You!





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