



Building a better working world

Customs tariff check

Proper classification, potential duty savings and risk mitigation

Background

A customs tariff number of a product is not only relevant for levying import customs and excise duties, VAT and other duties and taxes. Various import and export restrictions, economic or commercial measures or even embargos may apply where they basically rely on the applicable customs tariff number of a product.

A companies' proper and complete customs tariff classification is not only essential for the import and export business in order to be compliant with applicable regulations and thus to minimize financial and reputational risks, but also for a timely delivery of the goods: An improper customs tariff classification may run the risk that goods cannot be customs cleared when crossing the border and may thus jeopardize the customer relationship.

What we often see...

Processes in the area of customs and foreign trade legislation are typically operated via an ERP system which in turn is based on product related master data. Inadequate or incomplete customs tariff numbers lead to delays respectively preclude a full automation.

Many companies with a big amount of master data are thus facing the necessity to analyze and format their neglected data within an appropriate period of time. In many cases companies are not able to manage this challenge with their internal resources, especially as mistakes may have a considerable impact and usually require time-consuming follow-up work.

... and how we may support

EY's integrated approach respects the requirements of a company and their existing customs tariff number environment and may consist of the following steps:

- ▶ Initial high-level evaluation of the master data quality
- ▶ Allocation of products to product groups depending on their tariff classification
- ▶ Identification of sales drivers of your product portfolio and agreement on the numbers of products under detailed customs tariff classification review
- ▶ Qualification and risk assessment of the product groups to highlight inconsistencies within a product group
- ▶ Summary of our results in a report and recommendations going forward

At a glance

We support you with a high-level analysis on the quality and integrity of the tariff classification numbers of your product portfolio and help you to identify gaps and potential opportunities for improvement to ensure your customs compliance.

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About EY

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EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY's organization is represented in Switzerland by Ernst & Young Ltd, Basel, with ten offices across Switzerland, and in Liechtenstein by Ernst & Young AG, Vaduz.

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