

The Deloitte Customs & Global Trade team

The Customs & Global Trade team is part of an integrated global practice that has specialist knowledge and experience

As part of this global team, our Customs & Global Trade professionals provide cost-effective, pragmatic and value-adding advice and support on all international customs and trade matters, enhancing your ability to exploit opportunities, minimise liabilities and ensure compliance with complex legislative requirements.

Do you know the level of customs/excise duty liability your business incurs each year?

Are you aware of the duty concessions, such as free trade agreements, available for your goods?

Do you know what impact transfer pricing changes or adjustments will have on customs duty?

Our approach

Effectively managing your customs duties and international trade arrangements can significantly improve bottom-line profitability, remove costly delays in clearing goods and minimise the risk of non-compliance. The Deloitte Customs & Global Trade team assists clients by providing practical and innovative advice on the areas that should be considered.

Valuation issues

As well as advising on general valuation principles and options, Deloitte also advises importers on the specific valuation issues surrounding royalty agreements, licensing fees, buying commissions, interest charges, etc that affect the value of goods for customs duty purposes.

Applying a multidisciplinary approach, including consideration of transfer pricing requirements and international tax rules, gives a balanced result.

Some of our services are:

- Reviewing the determination of the customs value
- Customs valuation compliance
- Advice on royalty and license fees
- Application of the 'at arm's length' principle in related-party transactions
- Applying for customs valuation rulings.

Classification issues

Each and every product requires a tariff classification. This tariff classification determines the applicable duty rate, and establishing the right tariff classification is therefore vital for determining customs duties and other taxes. The classification also determines the availability of preferential origin treatment.

Importers or exporters who regularly import/export goods should consider the benefits of obtaining tariff classification rulings (known as Tariff advices) to avoid the uncertainties of customs treatment, to facilitate the import/export declaration and clearance process and to comply with legislation.

Origin determination

Australia is a party to several bilateral free trade agreements (FTAs) and a multilateral FTA with New Zealand and the ten ASEAN member states (AANZFTA). These FTAs mean that imports from the USA, Chile, New Zealand, Singapore, Thailand, Malaysia, the Philippines, Vietnam, Burma and Brunei may be eligible for reduced import duty rates. Imports from Cambodia, Indonesia and Laos may be eligible for reduced import duty rates once the AANZFTA enters into force for them (pending as at August 2010).

To determine if a duty reduction is applicable, it is essential that the origin of the imported good is correctly determined. If the origin is established incorrectly, this can lead to retroactive duty assessments. An active approach in this area can produce duty savings and minimise potential issues.

Deloitte advises importers and exporters on origin issues, including:

- Risk analysis of the present procedures to determine the origin and recommending ways to minimise risks
- Reviewing the duty refund options where no origin claims have been made
- Establishing the possibilities of automating the origin determination process and so securing compliance with these rules
- Applying for binding origin rulings.

Enhanced project by-law scheme (EPBS)

The EPBS reduces the customs duty from 5% to 0% on goods imported into Australia in relation to qualifying projects worth more than \$10 million. This represents an absolute cost saving to business.

Deloitte provides specialist services in:

- Determining the eligibility of projects and ancillary goods under the EPBS
- Preparing EPBS applications, having regard to legislative requirements
- Liaising with relevant government departments during the application process
- Maximising the customs duty savings in an EPBS claim.

Supply chain management

Businesses often have decentralised purchasing and sales activities and maintain stock in multiple countries. As a result, customs and GST/VAT obligations have to be fulfilled in multiple countries. In addition to the need for indirect tax knowledge in all these countries, there is often, due to the lack of ownership, no quality control on customs and GST/VAT compliance.

Deloitte advises businesses (through our global and multidisciplinary team of transfer pricing, tax and customs professionals) on how to improve the business structure, optimise the supply chain, reduce operational costs and increase profit margins.

Do you know the customs classification of the goods your business imports?

What processes have you followed to evaluate the performance of your freight forwarder?

Does your business maintain documented customs policies and procedures?

Would you be ready for a customs audit if it commenced tomorrow?

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