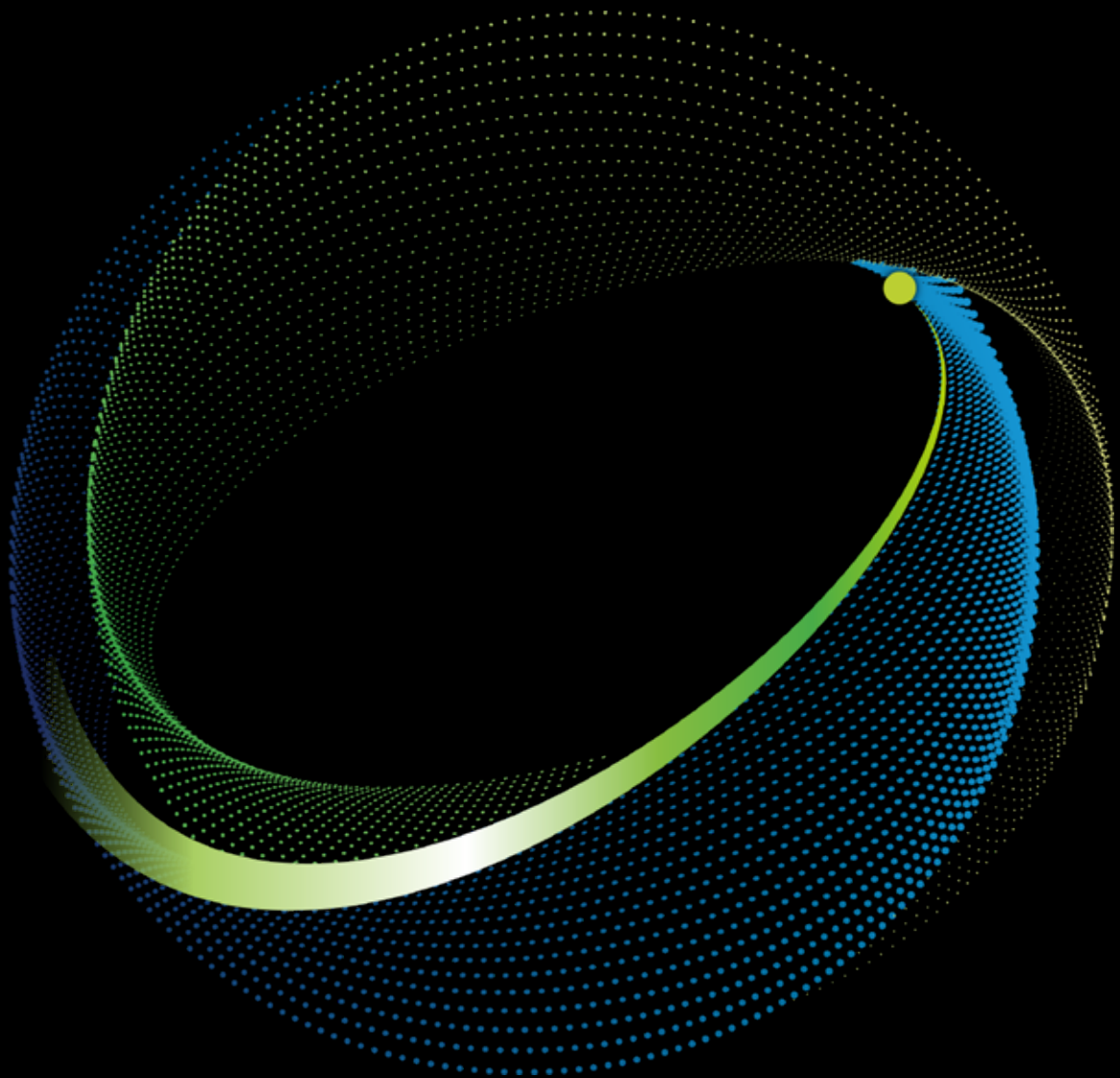


Deloitte.

Customs investigation and audit
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MAKING AN
IMPACT THAT
MATTERS
since 1845

Customs investigation and audit

Today, many companies' internal customs and trade compliance resources are limited. The responsibility and liability for the trade compliance role may reside outside of the territory where a customs audit or investigation is taking place. Companies who are not equipped with the right resources including having trained and qualified personnel in customs investigation and audit are vulnerable. It is essential to implement internal controls and quality assurance procedures. However, internal controls without monitoring and following up render these useless.





Customs audit

A customs audit is an examination of the internal controls and quality assurance procedures. It looks into past imports and other customs related activity.

Post-clearance audit (PCA) and post-entry audit (PEA) determine whether importers comply with import declarations. Both PCA and PEA adopts different processes leading to specific goals. Should a PCA or PEA reveal a potential breach, it could trigger an investigation.

Customs audit guard the environment, safety, export controls and sanctions, intellectual property, standards, narcotics and customs law. It provides trade facilitation in most Asian countries. Because of this, customs audit transfer the responsibility of ensuring accuracy and completeness of documentation to the importer.



Customs investigation

Customs investigation is a thorough inquiry into a subject. It is a meticulous and systematic examination of facts and evidence. The triggers for an investigation include:

- Potential fraud
- Smuggling by undervaluing goods
- Whistle-blower/informants
- Competitor's complaint
- Information shared with customs by a direct tax authority
- Risk analysis by customs
- Potential breach of export controls or similar legislation
- Possible corruption
- Breach of anti-money laundering laws
- Third-party service providers

Customs investigation teams in some Asian countries wield substantial enforcement power to:

- Detain without formal charge for up to 30 days
- Question a person for long hours without a break
- Seize travel documents of crucial personnel to prevent any travel
- Stop all imports and exports from a company
- Seize goods
- Impose substantive penalties,
- Collect substantive backdated import duties and taxes

The investigations are often large and complex. It can involve entities or companies worldwide. Even a compliant importer or exporter can get caught up in a custom investigation that directly or indirectly involves its business.

Our recommendations

Businesses should set in place sound employment, training, mentoring, and Human Resource policies and procedures.

Our recommendations stem from our experience with several customs investigations. Many investigations were initiated due to complaints by disgruntled employees or ex-employees. Some non-compliance were a result of unmonitored activity of an employee taking shortcuts to meet the deadlines.

Our team believes that a company should be proactive and implement strategies to manage its customs compliance.

Why Deloitte?



Competency

Our professionals have the knowledge, skills and ability to deliver high quality work.



Experienced

Our experienced professionals have assisted clients to respond to and manage customs investigations and audits across Asia.



Efficient

The customs authorities often place time limits on investigation responses. Our professionals will coordinate efficiently and effectively between our clients and the relevant authority to provide timely updates.



Access to best practices

Gain access to the full breadth of Deloitte's knowledge and resources to help address potential issues.

Our services



How can we help during an audit or investigation

A customs investigation is time-consuming and challenging for a company and the employees especially if they have never experienced it before. The questioning process can be intense and intimidating.

At Deloitte, we have specialists ready to assist you. Our team is experienced in customs law, practice and procedures across Asia. We would undertake a thorough investigation and fully document this in a report.

We will discuss the recommended approach with the client's lawyers before entering a direct discussion with the authorities. Discussions are conducted in the presence of a power of attorney or client's representative.



Training

Our team can also provide customs-related training for clients, which will equip them with the necessary skills to undertake the daily import and export tasks. Some of the critical training we can provide are:

- Tariff classification
- Customs valuation, including related party transaction requirements
- Export controls/strategic goods
- Preferential and non-preferential origin
- Document retention

Contact us

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