

Business cases — CGT Compliance



Perspective  everything

Customs and global trade is a multi-faceted area that requires a high degree of pragmatic support. Deloitte advises businesses on both fiscal and non-fiscal regulations, duties and taxes as well as penalties and consequences related to non-compliance.

Compliance program development

The client needed to comply with Senior Accounting Regulations that require the CFO to attest to the fact that the business had robust tax

accounting processes to ensure the accuracy of tax returns. This included customs duty, an area where the CFO had a much lower level of visibility of the group's operations and controls.

Deloitte conducted a detailed review of the procedures in place to manage imports. This included mapping out the supply chain and product lifecycle to determine points where customs duty decisions were made and provided a report summarizing findings and providing recommendations on what the business would need to do to put a robust framework in place to ensure that the procedures are appropriate for the activities. We then helped the business to draft appropriate procedures and instructions for freight forwarders and to consider an appropriate training program for staff to enable them to carry out the responsibilities detailed in the procedures. The client was able to make an informed decision to choose an automation solution that would best meet the requirements for their business.

This project enabled the CFO to meet the SAO sign off requirements for customs duties. It also afforded the business a much higher level of transparency and accuracy in the area of customs duty leading to wider use of reliefs with a subsequent reduction in costs.

Supply chain management support

Our client had a number of guarantees in place for the holding and movement of goods subject to customs and excise duty and wanted to review the level and the usage of these, in order to determine possibilities for cost savings.

Deloitte worked with the client to review the guarantees in place for key countries. We produced a questionnaire to determine the current flows, the authorizations held and the existing guarantees. From this we could analyze whether the guarantees were necessary and at the correct

level. In addition we reviewed the organizations with whom the guarantees were held in order to look at the rates paid and also to determine whether any consolidation was possible.

In addition to reducing the guarantee levels in certain countries, the client also realized the extent to which guarantees were not visible in certain jurisdictions due to the fact that they were managed through third parties. On further investigation of these, the client was able to reduce the costs of payments made to third parties.

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