



Discover the value in your Customs Data

Customs Data Analytics

kpmg.com/au/taxdataanalytics



Insights today, value tomorrow

Using data analytics, organisations now have the opportunity to transform tax data into valuable insights. Imagine gaining the ability to interpret the enormous volumes of transactional data captured in your business systems, finding overpaid and under-claimed tax and uncovering hidden business opportunities.

By accessing relevant tax data in a user friendly way, you can maintain control of your tax processes, identifying risks and leveraging opportunities.

Stop struggling with your tax data. Start winning with it.

KPMG is helping organisations delve into their tax data, revealing both untapped opportunities and hidden risks. Early detection of such opportunities and risks can lead to financial return and support the tax function to become a key value add resource at the centre of business decision making.

KPMG's **Customs Data Analytics** tool allows businesses to understand their customs footprint and gain increased visibility over their trade function.

Customs Data Analytics is just one of a suite of tax data analytics tools offered by KPMG across corporate, employment, and indirect taxes.

How is data analytics disrupting the management of customs duties?

Most importers use a customs broker to make declarations to the Department of Immigration and Border Protection (DIBP) on their behalf. If the data is incorrect through error or omission, it can increase customs duty liabilities and expose the business to infringement notices, strict liability penalties and prosecution.

KPMG's Customs Data Analytics is designed to rectify these issues. Rather than wading through physical documents, KPMG's methodology combines sophisticated data analytics software with explorative testing to uncover potential compliance risks and financial opportunities. Coupled with the vast experience of KPMG's tax professionals, Customs Data Analytics can uncover potential refunds and go-forward savings, and give you back control of your trade function and customs compliance.

Questions to ask of your customs data:

- 1 Have I maximised the use of Free Trade Agreements (FTAs) and other customs duty concessions?
- 2 What is my annual customs duty liability?
- 3 Are custom duties refunds available to the business?
- 4 Are we a candidate for the Australian Trusted Trader program?
- 5 Do I have confidence that the declarations made to government are accurate?
- 6 Are our brokers and service providers meeting their contractual obligations to us?
- 7 Has the value of my goods been correctly stated?
- 8 Can I provide comfort to my board that there are sufficient processes and procedures to manage risk and maximise opportunity?

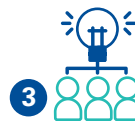
How does tax data analytics work?



KPMG's data specialists work with your team to extract data from business systems.



KPMG's data specialists cleanse, reconcile and load the data using KPMG's proprietary data analytics tools.



KPMG undertake exception testing, benchmarking and trending to report results, detect anomalies and visualise data.

Focused on outcomes

One of the key challenges facing importers and exporters is the integrity of the data reported to the customs authorities on their behalf. KPMG's Customs Data Analytics tool interrogates your data retrieved directly from the Australian Government to turn your data into value. All of this is done with limited interaction from the business so you can remain focussed on business as usual. Typical outcomes for our clients include:



Gain control and visibility of your customs duty

Obtain fact-driven insight into the level of customs duty and compliance costs on an easy-to-use interactive dashboard.



Increase efficiency

Drives improvement by focusing attention on specific areas of concern or opportunity in line with the overall strategy of the business.



Improve risk management

Gain oversight of all declarations made to the customs authority, and identify specific declarations that do not meet expectations.



Transform data into value

Identify potential cash refunds and business process gaps that can enable accreditation as a Trusted Trader.



Focus on your core business

Gain unprecedented oversight of your import and export activities highlighting specific areas of concern.



Case study

A major retailer engaged KPMG to undertake an analytics review of their import data. Using the Customs Data Analytics tool, KPMG identified a substantial customs duty refund opportunity where a customs broker had failed to utilise FTAs on certain items purchased from the United States. In addition related party transactions had been declared incorrectly. This prompted the client to reduce the number of customs brokers engaged on behalf of the organisation. KPMG assisted the client in rectifying its past import declarations and submitted a voluntary disclosure to the Department of Immigration and Border Protection on the client's behalf.

What insights can Customs Data Analytics provide?

FTA variance

Identifies incorrect or lack of use of Free Trade Agreements or other preferential agreements.

Refunds

Highlights shipments for further exploration of retrospective customs duty refunds.

Tariff concession orders

Identifies transactions where concessions may exist or where potential compliance errors arise.

Compliance risks

Identifies irregularities and inconsistencies in the data reported.

Related party transactions

Identifies suppliers for further investigation for related party pricing matters.

Incoterm analysis

Identifies Incoterms outside of agreed supplier and industry terms for possible over or under valuations of goods.

Trade lane

Identifies high volume trade lanes for freight negotiation.

Valuation of goods

Assess valuation methodology against expectations.

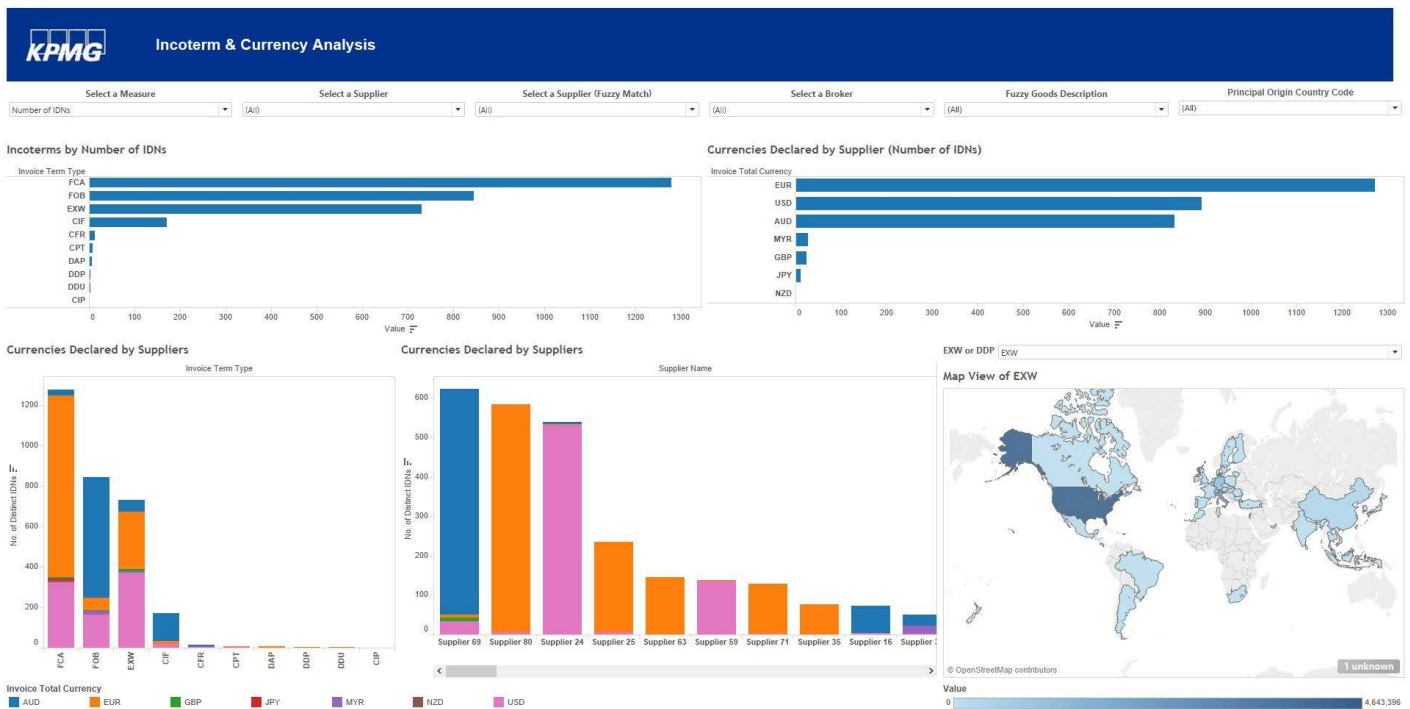
Currency

Identifies currency use and matches against expectations.

Customs brokers

Highlight efficiencies and number of brokers used.

KPMG's Customs Data Analytics uses market leading visualisation software allowing you to interrogate your data, validate exceptions and identify opportunities in a clear and concise manner. An example of a data driven insight is set out in our visualisation tool below:



Note: sample data set only.

Contact us

For more information on how KPMG's suite of Tax Data Analytics tools can help discover the value in your tax data, please contact your KPMG Tax Advisor.

Leonie Ferretter

National Lead

+61 2 9455 9330

lferretter@kpmg.com.au

Melissa McCosker

Senior Manager

+61 7 3434 9110

mmccosker@kpmg.com.au

kpmg.com/au/taxdataanalytics

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