KPMG

Tax Intelligence Solution

China Customs & Trade ready

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Turning Customs data into value for your business

The Challenge
In many organizations, trade & customs professionals are tasked with "doing more with less" and "running lean compliance functions" although the number of import and export transactions actually increases.

Simultaneously, the global trade landscape is changing. Robust reporting, analytics, and ultimately, proactive compliance are becoming the default. Strategic trade & customs compliance and operational efficiency through data and analytics (D&A) are key to running a successful trade & customs function.

Leading companies have adopted processes and controls to evaluate their data on a continuous, periodic basis, and many organizations use such information to trace key performance indicators for their trade function and third-party agents, such as customs brokerage and freight forwarders.

How KPMG's TIS can help?

KPMG has developed the China ready version of the **Tax Intelligence Solution (TIS) for Customs & Trade** a bilingual integrated suite of trade & customs analytical tools, methodologies, and insights that allow organizations to gain quantitative insights and visibility into their compliance, process efficiencies, and opportunities—driving real quantitative value for the trade & customs department, financial department as well as the overall business.

Experienced KPMG China trade & customs analytics advisers combined with the powerful D&A methodology of TIS, can help you transform your trade & customs data into insights. From uncovering compliance risks to unlocking opportunities in transactional data, our clients can achieve enhanced global compliance, monitor accuracy, maximize savings opportunities, and create new efficiencies for the trade organization.

The Opportunity
Organizations should prepare for a new era in trade, and it all starts with D&A. Using D&A tools, organizations now have the opportunity to transform trade & customs data into value.

Imagine being more certain of your duty spend and Customs declarations, finding overpaid or under claimed duties, and revealing hidden business opportunities or efficiencies.

By having access to your organization's trade data and the corresponding analytics in a concise, meaningful, and user-friendly way, trade & customs directors will be empowered to drive their own trade & customs function, focusing on identifying risks, leveraging opportunities, and improving performance.

Stop struggling with your data. Start winning with it

Key features of TIS Customs & Trade

- **Identification of irregularities and inconsistencies** in the data reported to the China Customs Authorities, for example -
  - screening for **inconsistent tariff classifications** declared on the same imported product into China
  - capturing the **abnormal fluctuation of import prices** declared to China Customs

- Insight into **supply chain savings opportunities** as well as opportunities for **process improvements**

- Ability to **highlight different areas (valuation, classification or country of origin)** that may have led to over payments of customs duty and value-added taxes.

- The ability to analyze trade & customs data on **free trade agreements** available based on specific trade lanes and identify untapped trade agreement benefits.

- **Data visualization and reporting** to allow easy manipulation and refinement of relevant trade data topics (e.g. tariff classification, country of origin, entry type, incoterm, etc.)

- Quantification of potential exposure as a result of **identified trade compliance risks**

Case studies

Case study: Managing risk of successor liability with TIS
An industrial manufacturer recently used the Tax Intelligence Solution (TIS) to review five years of import transactions of a target entity that was being acquired in a corporate transaction.

By uploading the target entity's import data for review, the acquiring company was able to team with KPMG to identify a latent compliance error, which could have resulted in potential duties and penalty exposure. By identifying the error early, the acquiring entity was able to manage successor liability associated with acquiring the target entity.

TIS puts your trade professionals proactively in control of the trade process, which can enhance compliance and savings and ultimately help your organization avoid financial, reputational, strategic, and operational risks.

Case study: Tariff analyses
KPMG reviewed Enterprise Resource Planning (ERP) and Customs data for a large importer and uncovered the company's classification were spread out over multiple commodity codes with respect to a unique article number. In addition the company did not use preferential tariffs.

Upon further analysis, KPMG noted that the company did not use preferential tariffs. By setting up a tariff classification process the company could potentially achieve considerable duties and cost savings. As a result of the analysis, the company realized savings.

Why KPMG?

KPMG has developed a comprehensive suite of data and analytics tools to provide insights into VAT, Transfer Pricing, and Customs & Trade which have all been specifically adapted for China.

The China ready version of the Tax Intelligence Solution for Customs & Trade is designed to interrogate your Customs data to assess and identify risks and opportunities. If data is incorrect through errors or omissions, it can increase customs duty liabilities and expose you to infringement notices, strict liability penalties and prosecution. TIS provides valuable insights into your global supply chain, can easily switch between simplified Chinese and English and has been built with data security at the forefront.

TIS Customs & Trade Contacts

If you are interested in seeing a demonstration of TIS for Customs & Trade or for further information, please contact:

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