



Xportscan

Combining export with expertise





Introduction

Dear,

Since many years export has been the backbone of our Belgian economy. As thousands of companies are involved in cross-border trade on a daily basis, international trade is high on the agenda of both the ICC (International Chamber of Commerce) and KPMG.

In every international transaction, company staff uses systems and practices which have been developed over the years. ICC continues to lead this development on the international scene. Its Incoterms 2010 rules and the UCP600 rules for the letters of credit are examples of what ICC produces and regularly updates.

KPMG has developed particular expertise and insights in a set of complex “technical” aspects of international trade and is committed to continuously contribute to the professionalism embedded in our economic tissue.

In our professional capacity, we often have discussions with various Belgian firms on the complexities and challenges surrounding international trade.

Based on those discussions and the feedback we received, we decided to create the “Xportscan”: an innovative tool allowing companies to easily evaluate their strengths and risks upon exporting goods outside Belgium. The “Xportscan” is tailor-made to the specific needs of Belgian companies engaged in international trade, so we can be confident that our tool will prove to be very helpful and will trigger further improvements within your organization.

As a Belgian company involved in international trade and export, you play a key role in our open economy. As trusted advisors and partners, we help you in coping with the many challenges which you may encounter. And although the challenges may change over time, we remain by your side to face them.



Rudi Thomaes,
Chairman ICC

Serge Cosijns,
Partner KPMG





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Measuring the rewards and risks of trade

International trade has flourished over the years due to the many benefits it has offered different countries across the globe. Nations with strong international trade have become prosperous and have the power to play a leading role in the world economy. Trade encourages innovation; it facilitates exchange of know-how, technology and investment in research and development. Trade expands choice and lowers prices for consumers by broadening supply sources of goods and services. Trade creates employment opportunities by boosting economic sectors that create stable jobs. And these are just a few examples of the benefits of international trade.

However, when organizations decide to engage in international trade, they also face risks. These can

include a variety of elements, from a misunderstanding of the local legal framework, to a lack of expertise in areas such as VAT, customs regulations, or not communicating effectively with business partners. The whole regulatory environment that applies to international trade, is highly complex and can vary from one country to another. It is, therefore, not always clear how to interpret and comply with all the operational challenges that apply in the field of customs, taxes, licenses, insurances, sales and transport contracts, etc, that can make it difficult to maintain a constant, reliable revenue. So it is vital that Belgian companies operating in this field take into account the associated risks in advance and estimate whether they have the necessary expertise in house to prepare for them.

To support companies in this examination, KPMG and ICC have joined forces and added the expertise of Albert Weynen, Director advies & management bureau Addvent bvba to develop a tool to create a risk analysis and explore what can be done to eliminate the main problem areas. This tool, the Xportscan, is a question-based tool,

focused on seven key areas of international trade that aims to provide companies with a quick and actionable overview of areas that need attention. Addressing these areas will contribute to avoiding unnecessary costs and add to a much more efficient export process. You will find more details on the Xportscan further in this brochure.

KPMG in Belgium

KPMG in Belgium is part of a global network of international firms and supports companies as they adapt to the rapidly changing circumstances that affect so many industries. As an audit, advisory and tax service provider, KPMG is uniquely placed to provide an independent and multidisciplinary view on the sector challenges you face. Our focus on quality and in-depth analysis is what makes us different. In relation to international trade, our focused expertise includes customs, VAT, corporate tax, fraud, legal, transport and financial risk management.

KPMG in Belgium works closely with K law experts as well. K law is an independent Belgian law firm that entered into a cost association with KPMG Tax and Legal Advisers, operating mainly in the fields of corporate and business law, real estate law, employment law, tax law and public law.

ICC Belgium

The ICC Belgium is the local chapter of the International Chamber of Commerce, a unique global business organization established in 1919. In addition to supporting trade liberalization, the ICC has developed a large array of voluntary rules, guidelines, and codes – sometimes referred to as ‘trade tools’ – which facilitate cross-border transactions and help spread best practice among

companies. A notable example is ICC’s respected *Incoterms®* rules – first elaborated in 1936 – which are accepted as the global standard for the interpretation of the most common terms used in contracts for the international sale of goods. In Belgium ICC Belgium has excellent relationships with industry, government, international law firms and academia, which gives them access to all those who can contribute to a successful business approach.



What can go wrong?

Doing things right the first time isn't always easy, and even for experienced companies, business as usual doesn't mean it is risk proof. Especially, when exporting goods out of Belgium and into another country, when there are so many things you need to take into consideration: documentation, contracts, transport, insurances, etc. Based on the combined experience of KPMG, K law and the ICC, here are some real-life examples of what could go wrong.

Proper Documentation

A Belgian company, "Pâtisserie Du Coin"¹ that produces and exports pastries, sells boxes of cookies to European customers on an "ex works" basis (which means that the seller officially 'delivers' only when the goods are at the disposal of the buyer at the seller's premises). These sales include both intracommunity supplies and export transactions. As "Pâtisserie Du Coin" applied for a VAT exempted intracommunity supply (or VAT exempted export transaction), they are thus required to verify the validity of the VAT identification number provided by their customer and must verify whether the goods have in fact been transported and delivered outside of Belgium. However, "Pâtisserie Du Coin" must not only verify this but must also keep proof of these verifications and should be able to provide this proof to the Belgian VAT Authorities upon request.

Shortly after the delivery, they were audited by the Belgian VAT Authorities. Unfortunately, "Pâtisserie Du Coin" had no copies on file in order to prove that the cargo was indeed delivered outside Belgium, and thus no proof for all its VAT exempted intracommunity supplies and export transactions. The Belgian VAT Authorities consequently claimed that the VAT exemption of an intracommunity supply / export was incorrectly invoked as the "Pâtisserie Du Coin" could not prove that it rightfully invoked the VAT exemptions.

The Belgian VAT Authorities imposed a penalty and an additional VAT amount had to be paid, amounting to 500.000 EUR in total.



What went wrong?

"Pâtisserie Du Coin" did not retain the proper documents



The resulting exposure

500.000 EUR
(VAT + Penalty)

Insufficient Screening

A Belgian company "Future Tech"¹ sells technology goods. They face an even more rigid situation from the Belgian VAT Authorities because they buy goods and then sell them to Belgian and European customers. The company verifies the validity of the customers' VAT identification numbers and disposes from time to time of a duly signed CMR document². But they do not conduct any further checks.

When the Belgian VAT Authorities audited "Future Tech" they claimed that even though the VAT identification numbers were indeed valid, they should have known that the reputation of their buyer was not impeccable. "Future Tech" should have conducted further research and furthermore, should have ceased all activities as soon as they experienced irregularities. It soon became clear that a customer of "Future Tech" acted in bad faith and the Belgian VAT Authorities claimed that not only was the customer involved in a VAT carousel, but that "Future Tech" was as well. Belgian VAT was claimed in the amount of 350.00 EUR and the VAT authorities imposed a penalty of 200% on the Belgian VAT due, resulting in an exposure exceeding 1 million EUR.



What went wrong?

"Future Tech" conducted insufficient screening of the customer and/or supplier



The resulting exposure

VAT amount + 350.000 EUR

Fine of 200% of
the Belgian VAT due

Total risk: > 1 million EUR

¹ For confidentiality reasons we cannot disclose the real name of the company.

² The CMR transport document is an consignment note used by drivers, operators and forwarders alike that governs the responsibilities and liabilities of the parties to a contract for the carriage of goods by road.

Trade and regulatory compliance

The Belgian company "Tastee"¹, that exported sauces from Belgium, had its goods stopped at the border because they failed to tender the necessary certified and legalized certificates of origin and invoices upon export.

Upon request from the customer, the company issued two invoices, one invoice for customs purposes and one for commercial purposes. The customs invoice bears an understated value (10.000 EUR) and the commercial invoice bears the value based on the goods subject to tax (10% ad valorem) in the country of import (50.000 EUR). When the goods reached their destination, the customer handed over the customs invoice in order to circumvent the payment of import duties (1.000 EUR instead of 5.000 EUR).

When the customs authorities of the country of importation discovered that the importer paid 50.000 EUR and not 10.000 EUR to the Belgian company, they recovered additional import duties (40.000 EUR) and imposed fines on the importer. Moreover, the customs authorities of the country of importation notified the Belgian customs authorities. Subsequently, the Belgian customs authorities imposed criminal fines amounting to 625 EUR per invoice and imposed imprisonment (of 30 days) on the Belgian exporter for repeatedly issuing invoices bearing an understated value with the aim of misleading the customs authorities of the country of importation.

As a result, the customer refused to sign off on the receipt of the goods and to complete the payment. Moreover, the company had to return the goods at their own expense and eventually lost a valuable client. They also paid 50.000 EUR to return the goods and had to cancel the contract worth 400.000 EUR. And in the long run this caused irreparable damage to their reputation in the Middle East.



What went wrong?

The company failed to tender the necessary certified and legalized certificates of origin and invoices upon importation.



The resulting exposure

- Additional import duties in the import country - 40.000 EUR
- Fines in the import country
- Criminal fines in Belgium – 625 EUR per invoice and 30 days imprisonment
- Cost of returning the goods and canceling a 400.000 EUR contract
- Loss of a client and reputation tarnished for the long term

Incoterm and contract of carriage

A Belgian company "Free Flow" sells 4000 cubic meters of pipes Delivered at Terminal (DAT) Cartagena². The logistics department of the Belgian company, unaware of both the "local customs of the port" at destination and the shipping terms, books the cargo with the shipping line on the basis of "Liner in Hook out", whereby the carrier only bears the costs until the cargo is discharged at the quay alongside the vessel at the port, the Belgian company had to pay additional costs amounting to 64.000 EUR to move the cargo ex hook to the proper place of delivery at the terminal in the destination port.



What went wrong?

The logistics department entered into a transport contract which was not in line with the terms of the sales contract.



The resulting exposure

Additional costs to move the cargo 64.000 EUR

¹ For confidentiality reasons we cannot disclose the real name of the company.

² Delivered at Terminal means that the seller delivers when the goods, once unloaded from the arriving means of transport, are placed at the disposal of the buyer at a named terminal, at the named port or place of destination. The seller bears all risks involved in bringing the goods to and unloading them at the terminal at the named port or place of destination Incoterms@2010.

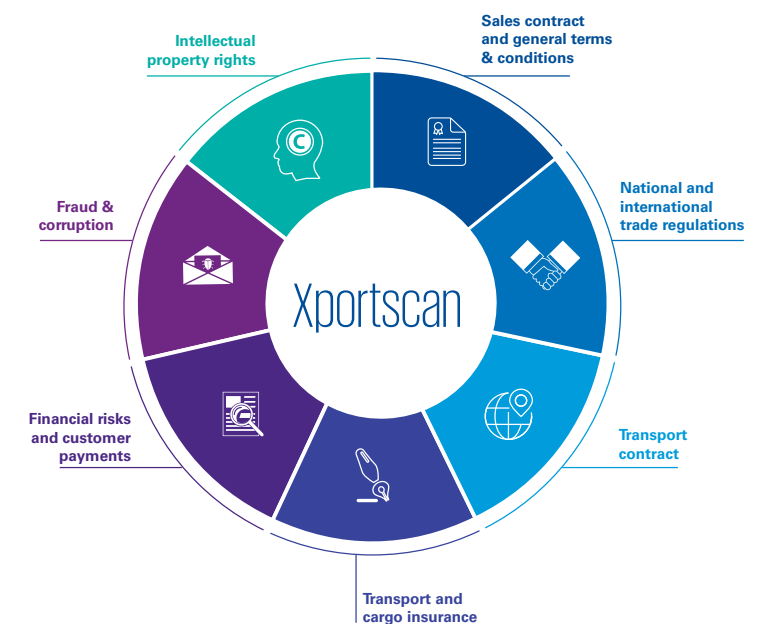
Xportscan

The Xportscan is a question-based tool. It focuses on 7 key areas that relate to the needs of companies looking to begin exporting products or to expand current exports. The intention of the Xportscan is to provide you with a detailed overview of your company's strengths and weaknesses in relation to international trade, and provide insights and share leading practices to help you improve your current processes.

The Xportscan covers the following relevant areas in relation to international trade:

- What is or should be included in your sales contract and general terms & conditions?
- How are you complying or should you comply with national and international trade regulations?
- How is your transport contract concluded and what are your liabilities and those of your contract partner?
- How is your cargo insurance organized and which risks are covered?
- How do or should you manage financial risks and customer payments?
- How are you managing or should you manage potential fraud & corruption within and outside your organization?
- In the case where you own intellectual property rights, how are you managing or should you manage them?

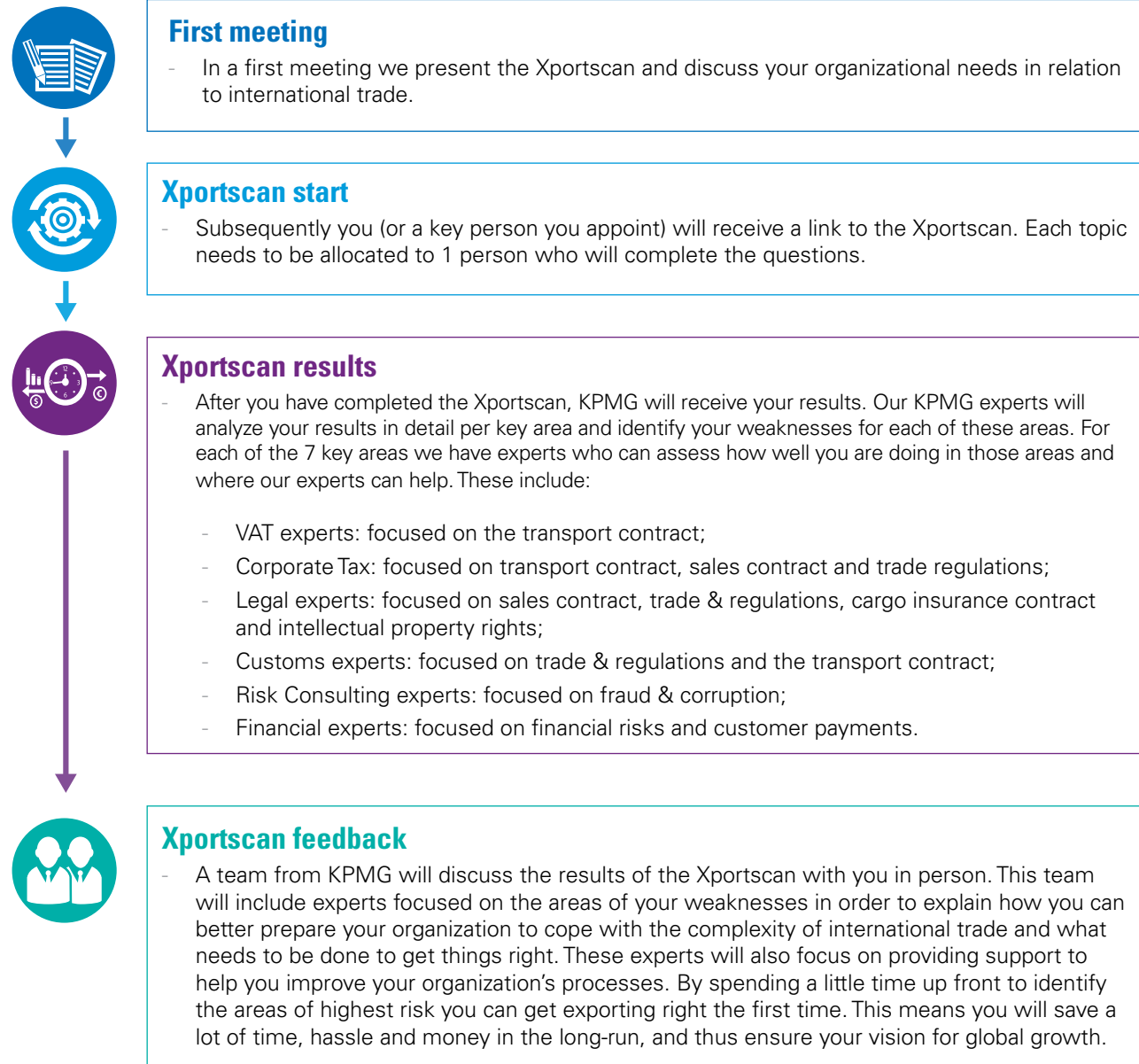
Of course a tool remains a tool. Its real added value comes through the experts who are involved. The KPMG experts will schedule a short meeting to get to know you and your organization and then, based on your answers from the Xportscan, will conduct an analysis in order to provide you with valuable insights relevant to you and your organization.



Who is the Xportscan for?

If you are a COO, CFO, Tax Director, Legal responsible or Supply Chain responsible then we are here for you!

How does the Xportscan work?*



* Subject to the satisfactory completion of KPMG's procedures to evaluate prospective clients and engagements, including independence and conflict checking procedures, and the negotiation, agreement, and signing of a specific engagement letter or contract.



Because of our unique product, we have the opportunity to trade with clients all around the world. Thanks to the Xportscan conducted by Jeroen and his team we were able to identify exactly where our efforts should go. Now we don't longer waste time revisiting processes that are already efficient, but we can focus our energy on the issues that will be a challenge as we further expand our global reach in the future."

Francky Vanparys,
CEO SCE nv
Silo construction & engineering

At KPMG we understand that complying with VAT regulations (both European and national) is not always straight forward and that it is not always easy to implement in the software systems of an organization. So KPMG has a global dedicated team of tax professionals who bring clarity to the VAT complexity, optimize transaction structures and provide actionable insights to help organizations prevent, detect and respond to potential VAT risks.

The challenge:

Organizations recognize that not complying with their VAT obligations and the applicable VAT regulations, can involve great financial, commercial and reputational risks. Yet every day organizations face changes in tax legislations and in the perspectives of local tax authorities, the organizations depend on the invoices they receive from their counterparts. These are VAT/tax risks that arise all around the globe.

The KPMG Approach:

KPMG offers different preventive, detective and responsive services such as assessing the possible or encountered VAT risks, providing the organization with a VAT compliant organization structure and this for any state or country where the organization should encounter VAT issues; providing VAT trainings on experienced VAT issues or obscurities on the tax/VAT regulations; assisting the organization in settlements with the tax/VAT Authorities regarding tax assessments, etc.

Why KPMG/K law?

VAT Experts

What this means for you:

- We will analyze your organizational structure to identify transactions where VAT risks are present;
- We will assist your organization in rendering the VAT risks into VAT compliant structures; and
- Upon your request, we will provide practical trainings on VAT issues encountered or changes in the VAT regulations which have an impact on your organization.



Taxes are an inevitable part of everyone's life, and this is true for businesses as well. I love to understand the why behind taxes. How they are implemented and how to handle them correctly and in a compliant way. I like working with clients to help them do what I see as an essential part of the successful functioning of their organization. VAT may not be loved, but I aim to target any tax (VAT) risk and convert it into tax compliance and even tax optimization when it's possible."



Jeroen Gobbin,
Partner K law



Compliance in the field of Corporate Tax

Corporate Tax is an integral part of an organization's financial management. The purpose of tax planning as part of an organization's overall business strategy is to avoid tax risks and benefit from tax opportunities, whenever possible and within legal boundaries. Professional tax management involves careful monitoring of each corporate transaction and identifying the tax implications from an early stage.



Within the current globalized world economy, companies are increasingly faced with international tax regulations. Also with the upcoming digital economy, tax authorities are reconsidering international tax rules to safeguard their tax revenues. Within this context, it is our job to work together with our clients who are looking not only for certainty about taxes but also for turning challenges into tax opportunities on the long term. At the end, when we can find a balance between both and can assure that clients can focus on their business, we know that we have succeeded."



Andres Delanoy
Director KPMG Tax and Legal Advisors



Chung Yuen Lai
Tax Manager KPMG Tax and Legal Advisors

The challenge:

Taxation is vital to our modern society. Shareholders can be unforgiving when a company's management fails to conform to legal and ethical interpretations of taxation. Thus, corporations must make taxation a crucial part of their business strategy, in particular those with international transactions, and this may well demand a degree of specialization beyond their internal resources.

The KPMG Approach:

Our international tax professionals provide a sharp focus on incoming and outgoing investment flows, offering services for specific cross border relationships.

What this means for you:

The foreign tax cost (e.g. withholding tax or permanent establishment taxation) of export business is often overlooked or underestimated. We will assist you in managing the Belgian and foreign tax costs related to your export activities, so you can focus on your core business.

Legal advice & compliance in the field of international trade

In the present economic context, legal issues are more complex than ever, requiring both a multidisciplinary and specialized approach. National, international, bilateral and multilateral regulations impact all businesses operating in the complex context of international trade. K law has a dedicated team of lawyers available to help with the right expertise, hands-on solutions and multidisciplinary relations to meet your organizations' needs through the entire trade process.

The challenge:

Organizations recognize that risk mitigation starts with proper negotiations followed by drafting all the necessary contracts that will be required throughout the export process, as well as the alignment of all these different agreements. These must of course also take into consideration the current slew of regulations to be respected in the international trade environment. Moreover, in these difficult economic times, it is of utmost importance to protect businesses against bad debtors. Yet every day, the bankruptcy of a party within the chain of traders jeopardizes the financial health and wealth of others in the stream, making it necessary to put effective legal protection mechanisms in force.

The K law Approach:

K law provides legal services in the field of commercial, corporate, transport, financial, insurance, bankruptcy and economic law as well as trade practices, arbitration and litigation, among others. We provide legal advice in respect to all applicable regulations related to international trading and lend legal assistance in negotiating and drafting agreements in connection to these regulations.

What this means for you:

- We will analyze your organization's legal documentation relating to international trade to identify where there could be increased risks;

- We support our clients in preventing and closing potential liability gaps and prepare legal documentation where it could be missing; and
- We provide legal advice on how to (better) mitigate legal risks throughout the entire trade process.



By preventing and detecting legal risks and by attempting to reduce liability gaps, we are here to offer you, our clients, legal peace of mind and to give you the freedom to operate in the context of complex international trade without worrying about these issues. What I love about my job is that I can provide legal peace of mind to my clients so they can focus on their business activities."



Vaën Vercruyssen,
Senior Counsel K law

Compliance in the field of Indirect Tax, Customs and International Trade

At KPMG we understand that in the current economic environment, companies are paying closer attention to their international supply chain in order to mitigate the risks of non-compliance which could trigger additional costs and/or penalties. As such, it is crucial to have a proper and adequate risk management system in place in order to comply with all complex regulations surrounding international trade. Furthermore, it is our experience that once a company has an in-depth understanding of its global supply chain further savings may be obtained by identifying duty optimization schemes.

That is why KPMG's Customs & International Trade team offers companies the global support needed to manage, control and comply with all international trade regulations in order to mitigate risks and identify potential duty saving opportunities.

The challenge:

Companies often struggle to keep track of the complex and ever-changing environment of international trade. As a result, companies are often unaware of new potential risks. And when a supply chain is disrupted it will always trigger substantial costs. How can companies be better prepared for these disruptions?

The KPMG Approach:

KPMG offers businesses peace of mind by guiding them through all regulatory and security requirements, by carrying out compliance reviews (gap fit analysis), by implementing risk management tools and by providing in-depth trainings adapted to your company's needs. When it comes to international trade compliance "forewarned is forearmed"!

What this means for you:

With our support you will be able to manage, control and comply with the regulatory and security obligations associated with cross-border trade. This will not only mitigate the risk of penalties and costs, but also result in a faster and more streamlined supply chain. With the help of KPMG, your company's reputation in the marketplace will be strengthened not only vis-à-vis the regulatory authorities, but also towards your clients.

“ I think customs & international trade are fascinating. At KPMG we work with experts from around the world overflowing with experience in a wide variety of international trade affairs. It's really exciting to be a part of such a team! ”

Diederik Bogaerts,
Director KPMG Tax
and Legal Advisers



Bribery and Corruption Risk Experts

Every day, the reputation of organizations is put on the line through a myriad of individual actions and decisions made by employees and third-party intermediaries operating across the globe. Our dedicated team of global forensic professionals, helps organizations prevent, detect and respond to bribery and corruption risks.

The challenge:

We learned that the three most significant Anti Bribery & Corruption compliance challenges are:

- Auditing third parties for compliance purposes;
- Difficulty in performing effective due diligence on foreign agents/third parties; and
- Variations in country requirements and local laws on issues such as data privacy and facilitating payments.

The KPMG Approach:

KPMG's Anti Bribery and Corruption services include different preventive, detective and responsive services such as Bribery and Corruption Risk Assessments, Third-Party Management, Acquisition Due Diligence, Third Party Screening, Investigations and development of Remediation strategies and plans.

What this means for you:

Our specialists have in-depth knowledge of the Anti Bribery and Corruption laws impacting your organization. We can work with you proactively to achieve compliance, avoid potential severe penalties, establish a culture for sound ethical business practice, react quickly and effectively when a violation is suspected or has occurred and manage Anti Bribery and Corruption risks in M&A.

“ We understand your market does not stop at the Belgian border, which brings along new challenges and risks including bribery and corruption. That is why we like working with our clients to develop a culture of compliance both among their employees and their vendors and other business associates. ”

Els Hostyn,
Partner KPMG Advisory



Financial Experts

The ever-changing requirements of financiers and capital market players highlight how important it is for organizations to employ sustainable levels of debt funding whilst having the debt, credit insurance and hedging facilities that are flexible enough to act on opportunities that present themselves in the market.

The challenge:

Companies that take out loans need to realistically appraise the nature of their current banking relationships, evaluate alternatives, understand their true cost of capital, and approach debt in the context of an effective overall capital management strategy. Poorly structured capital structures can result in missed opportunities, wasted management effort, reduced profitability along with increased financial risk.

The KPMG Approach:

Our experienced Debt Advisory Services professionals can help achieve the best possible outcomes in analyzing, structuring and executing across the entire spectrum of debt products, export credit insurance options and exchange rate hedging instruments.

What this means for you:

- An independent view on important funding decisions;
- Strategic advice in relation to a company's funding and hedging options, and managing relationships with funding institutions, export credit agencies, hedge providers, etc.; and
- Expert transaction execution executionexecution across the full spectrum of financial products.

Why ICC?

Ethics and compliance

Bribery and corruption are never profitable and put any business at risk of penalties and reputational damage. In addition, bribery and corruption distort competition and reward those who cannot compete in an open and fair market. In the domain of ethical standards, ICC also promotes business self-regulation in both marketing and advertising.

The challenge:

Raising awareness about the risks related to corruption, supporting companies of all sizes as they face the challenges they have to overcome as they build and put into action their corporate compliance program, and encouraging responsible marketing communications, are among the priorities of the International Chamber of Commerce. The ICC embodies these through its working relationships with the United Nations and its recommendations on trade in the G20 process.

The ICC Approach:

ICC has been a pioneer in the business fight against corruption, issuing in 1977 its first version of the ICC Rules of Conduct to combat Extortion and Bribery. Today, ICC gathers together some of the most distinguished practitioners in the field of corporate integrity and compliance to develop tools, including trainings and the ICC Anti-corruption clause.

In the field of international marketing and advertising, ICC has been a major rule setting body since 1937 when the first ICC code on advertising practice was issued. To deal with new challenges and new technologies, ICC regularly revises and extends its range of self-regulatory instruments to assist companies in marketing their products responsibly.

What this means for you:

Assessing your corporate responsibility and the ever-changing risks of unethical business behaviors demands a permanent benchmark of the international practices and a regular update of your information details. That is what ICC provides to its members, providing them with the tools they need to better address the complex and sometimes unexpected ethical dangers.



As a truly independent financial advisor, I know I can help a company to successfully navigate the challenges associated with borrowing since the financial crisis of 2007-2008 and add real value for their future success."



Ivan Costermans
Director KPMG Advisory

Finance

The flow of money in international trade demands a strong international banking practice, and effective trade finance means trusted actors and universally accepted rules, as well as the rapid settlement of disputes that can arise in the banking sector. It is an essential condition for driving high performing and profitable cross-border operations. Ignoring the rules in favor of profitability is a no go when developing trade abroad and setting up the required contracts.

The challenge:

Strong banking rules to ensure secure payment in international trade is vital. Therefore, there has been the need for a neutral but authoritative international body able to develop common global rules and guidelines, to help policy makers and standard setters to translate their vision into concrete programs and regulations and to gather a reliable market intelligence. Further, it is crucial that any exporter or importer acquires the best possible knowledge of the trade and export finance techniques for the best profitability of his foreign operations.

The ICC Approach:

With 80 years of experience and over more than 600 members in more than 100 countries, the ICC Banking Commission has gained a reputation as the most authoritative voice in the field of trade finance. It is the World's key rule-making body for the banking industry. For example, the ICC rules and guidelines on documentary credits, UCP 600, are the most successful privately drafted rules for trade ever developed, serving as the basis of USD 2 trillion worth of trade transactions a year.

What this means for you:

The ICC is well placed to inform and train all of the people in your company who are involved in international payments, including those responsible for negotiations and those who draft contracts, about trade finance. ICC members rely on a large set of specific publications and trainings, as well as prestigious events, seminars and conferences.



Legal

Arbitration

No matter who is involved in an international contract, a dispute is always a possibility. It is most likely that when a company is not well prepared from the moment they draft the contract, that the contract is at high risk for a difference of opinion. A fair dispute resolution is key to protect not only your contract, but your whole business.

The challenge:

To resolve commercial disputes, each party will want to have control of the process, decreased costs and faster resolution time, flexibility, and privacy. The contracts will have to be fair, final and enforceable. Each of these risks are predictable and should be mitigated. That's why a strong international arbitration institution with recognized rules, trusted by both parties and a relevant arbitration clause, are crucial.

What this means for you:

Understanding and implementing the ICC Rules of Arbitration and ICC Rules for Mediation can be a pro-active way to avoid potential concerns that can arise with respect to some judicial systems, and it assures an adjudicative setting in which bias is avoided and the rule of law is observed. Arbitration also avoids delays in court which, in some jurisdictions, can exceed five or even ten years. ICC Members rely on exclusive information and trainings for an effective management of arbitration.

The ICC Approach:

The International Court of Arbitration® of ICC is the world's leading body for the resolution of international disputes through arbitration. It is one of the most experienced and renowned international arbitration institutions, and the Court is mindful of its duty to make every effort to ensure that awards are enforceable by law. They work in close collaboration with the ICC Commission on Arbitration and ADR, which is the rule-making body and a unique think tank in the field of international dispute resolution.



Intellectual Property

The last twenty years have seen many rapid and unprecedented changes in the intellectual property laws and policies, making it difficult for companies involved in international trade to prepare and assess their protection. These changes in the patent, copyright, trademark or geographical indication (GI) can especially impact the distribution income and put your business at risk.

The challenge:

Efficient intellectual property (IP) systems should support international trade, encourage investment in creation and innovation, and facilitate sustainable economic development. However, the complexity and the ongoing changes can sometimes make it challenging to properly protect intellectual property rights, as well as any confidential business information, even before businesses think of using IP and technology-related policies to optimize their operations.

The ICC Approach:

ICC raises awareness of the economic and social harm of counterfeit products and piracy through a special group, BASCAP, and petitions for greater commitment from national and international officials in the enforcement and protection of intellectual property rights. By issuing studies and providing information, the ICC Commission on Intellectual Property offers a unique platform for stakeholders, including discussions on the challenges related to electronic media and networks.

What this means for you:

Relevant information of the trends and new regulations is key for a proper assessment and preparation to face the business risks linked to intellectual property. The involvement of peers and specialists in various concrete actions allow businesses to better monitor and counter the attacks on their intellectual property, as well as providing key training of staff to enhance business performance.

Commercial practice

International trade accounts for a good part of a country's gross domestic product, and this is especially true in Belgium. Businesses with strong international trade have become prosperous, and it is also among the more important sources of revenue in developing countries. But the differences between some cultures can make it hard to agree on common commercial terms and therefore ensure the safety of the contracts.

The challenge:

Often business deals are lost because the parties involved did not understand each others' cultures prior to contracting. Differences in customs, languages, and legal framework, for instance, can lead to increased risks of ambiguity in the execution of the contract. As from the moment the commercial negotiations begin, it is hard to find the right balance between mitigating your risks and adapting to the local customs.

The ICC Approach:

As the foremost business rules-maker for international trade, ICC sets voluntary rules that companies from all parts of the world apply to millions of transactions every year. The ICC rules, such as Incoterms® 2010, have become part of the legal fabric of international commerce. ICC has also prepared a series of successful model contracts, available for sale from ICC Belgium: ICC Model International Sale Contract, ICC Model Distributorship Contract, ICC's Model Commercial Agency Contract, ICC Model Franchising Contract, etc.

What this means for you:

Speed and predictability are vital to global sourcing and shipping operations. In order to help companies planning and preparing their sourcing, It helps to have the relevant staff sufficiently trained to choose the right incoterm, with the knowledge of the possible tax, legal or insurance consequences of that choice. Further, using ICC Model contracts is cost-effective for ensuring compliance and safety in the commercial agreement.

Mathieu Maes
Secretary General,
ICC Belgium



Contact

Serge Cosijns **Partner KPMG**

Prins Boudewijnlaan 24d
B-2550 Kontich

T +32 3 821 18 07
E scosijns@kpmg.com

Jeroen Gobbin **Partner K law**

Avenue du Bourgetlaan 40
B-1130 Brussels

T +32 2 708 37 67
E jgobbin@klaw.be

Mathieu Maes **Secretary General of ICC Belgium**

Stuiversstraat 8 rue des Sols
B-1000 Brussels

T +32 2 515 08 44
E mms@iccwbo.org