



Embracing disruption

Seizing opportunities for global trade

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Tax Reform, NAFTA, “Brexit”, trade imbalances, increased enforcement, and the Trans-Pacific Partnership, are just a few of the buzz words in the media right now; each with the capacity to massively disrupt the global trade environment. To stay ahead of the competition, companies must be prepared to innovate and embrace disruption.

KPMG's Global Trade & Customs (T&C) practice develops strategic solutions for multinational companies, and those considering multinational opportunities, by helping them develop and implement import/export operations that keep costs down and ensure compliance with local country regulations.

The global trade landscape is full of complex and sometimes conflicting interests - trade policy, compliance requirements, financing, and cross-border logistics among them. Companies looking to grow globally, along with companies already buying and selling products in multiple countries, should realize that establishing and maintaining efficient across border operations poses a challenge. Evolving regulations and trade policy, as well as variable economic, market, and competitive forces, drive global businesses to continually adapt to a changing playing field.

Trade & Customs opportunities

KPMG's T&C team helps companies update their business strategy in order to globally manage import/export activity by providing both forward-looking vision and practical guidance to identify and remedy compliance gaps, anticipate the impact of regulatory changes, make processes more efficient, and achieve costs savings. We offer four core services offerings with these goals in mind:

Global trade transformation: To meet the evolving challenges of import and export compliance, companies need a multi-year strategy that addresses disruption and aligns with broader commercial goals. T&C global trade transformation and technology services help companies develop a more effective business vehicle for their global strategy.

Import cost reduction: Import and export related expenses are among the most significant costs for multinationals. KPMG T&C services help companies identify, implement, and manage cost-saving opportunities related to global trade.

Trade risk mitigation: Establishing and maintaining cross-border operations presents a host of risks. Companies must keep costs down to maintain a strategic advantage while complying with local laws and customs regulations. T&C trade risk mitigation services can help companies manage and reduce global customs risks.

Trade automation support: In this digital age, deciding where to invest in technology can be daunting. Global Trade Management (GTM) systems provide an opportunity to transform how global companies manage import and export transactions. T&C services professionals develop leading global trade automation solutions to help companies move goods internationally faster, cheaper, and with less risk.

Case studies

Healthcare giant builds lean trade structure

A multi-billion dollar healthcare company sought to build global trade structure from the ground up. KPMG T&C professionals conducted a detailed analysis of requirements at a global level, as well as regionally and locally in over 50 countries. In applying KPMG's target operating model (TOM) methodology, developed to assist companies in designing a trade function, the team helped the healthcare company establish a lean, cost-effective global trade structure that helps maintain compliance, while reducing costs.

Major footwear and apparel manufacturer saves millions with a Foreign Trade Zone (FTZ)

A major footwear and apparel manufacturer imports a large volume of products into the US for distribution across North America. The company was incurring duties and fees for each entry filed in the US. KPMG T&C professionals helped the company determine that significant savings could be realized with the use of an FTZ and then assisted the company with the approval process and establishment of the FTZ. As a result, the company substantially reduced import costs and streamlined its supply chain.

Global aerospace and defense company audits its overall ITAR compliance program

A global aerospace and defense company negotiated a consent agreement (CA) with the US Department of State, which required audits of the company's compliance program. KPMG T&C professionals conducted 15 audits of ITAR compliance programs at company locations in North America and Europe. With the KPMG team's assistance, the company satisfied key requirements of the CA and now has a greater understanding of its global level of compliance.

Chemicals company saves more through NAFTA program

A global chemicals company faced a challenge with its North American Free Trade Agreement (NAFTA) program: it could not make claims on products that were eligible for preferential treatment due to its enterprise resource planning (ERP) system's approach to fungible materials. KPMG T&C professionals designed and implemented an automated SAP GTS technology solution to determine the value of the non-originating material and the origin of fungible materials withdrawn from materials inventory on the basis of the ration of originating materials and non-originating materials in materials inventory. As a result, the company was able to increase NAFTA savings while improving its qualification and supporting documentation at the same time.

Working with KPMG's T&C team

KPMG's T&C professionals can help navigate challenging global landscapes and seize new opportunities, ensuring compliance with evolving laws and regulations. The team has extensive experience working with global companies, and their subsidiaries, as well interacting with customs officials around the world.

Contact

KPMG's Global T&C Services practice maintains a presence in more than 60 countries through KPMG's global network of member firms.

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