



# Key Trade Updates - Driving savings and compliance

June 16, 2023

# With you today



**Nicole Porpiglia**

*Senior Manager*

Trade and Customs, New York City

[nporpiglia@kpmg.com](mailto:nporpiglia@kpmg.com)



# Agenda

01

Trade Data



02

Expanding Savings and Compliance



03

Considerations for your Savings Programs



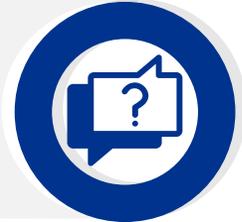
04

Key Takeaways



05

Q&A



# What is trade data?

Trade data includes information declared to customs and export authorities, and data attributes used to make determinations for declarations globally. Sources of this data may include:

## 1. Government Transactional Data

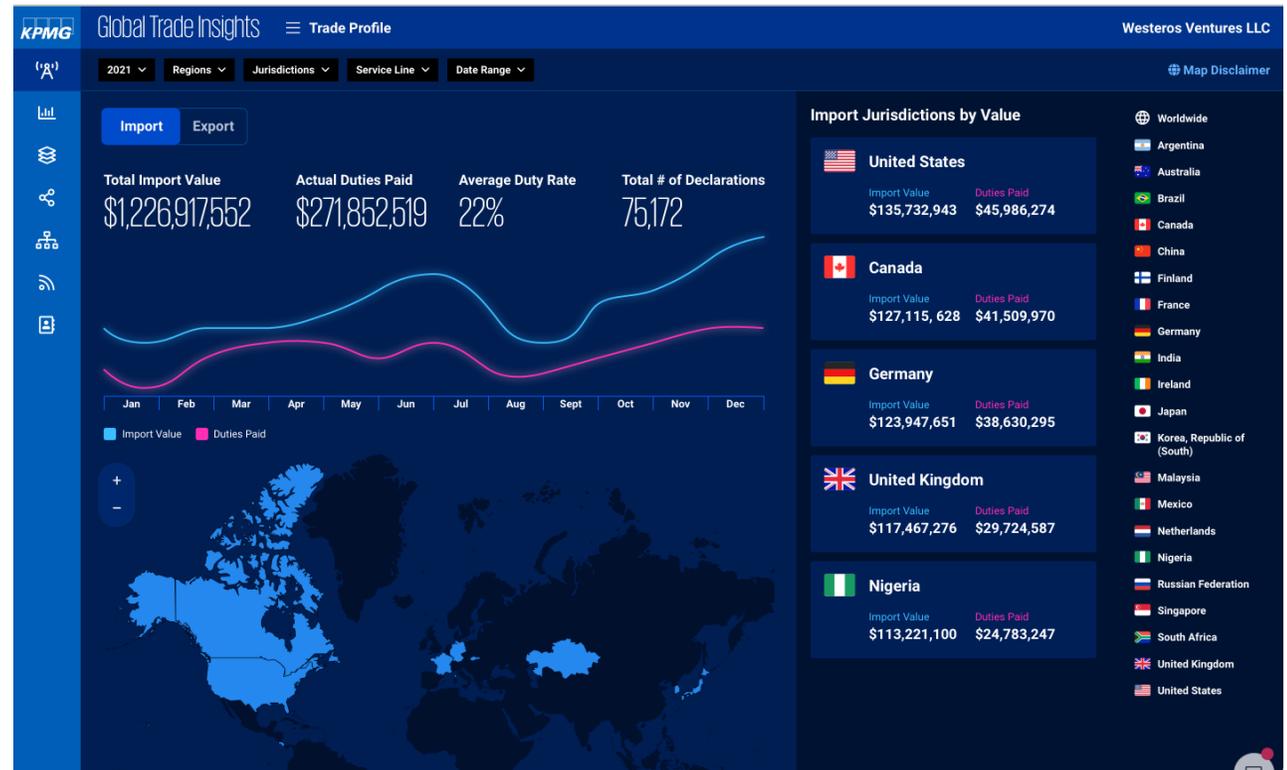
- i.e., Automated Commercial Environment (ACE)

## 2. Broker/ Agent/ Forwarder Transactional Data

## 3. Enterprise Resource System (ERP) / Global Trade Management (GTM) Data

## 4. Externally Curated Data Sets

- Harmonized Tariff Schedule
- Entity Lists (i.e., Forced Labor)
- Section 301 Exclusions
- Data on Subscription (fee-based)



# Why is trade data important?

Trade data drives insight into global supply chains, from duty recovery to export control risk, and more.



Analyzing trade data can identify and accelerate savings opportunities and risk mitigation measures



Visibility and insight to manage supply chain opportunity and risks through trend analysis



Collection of global trade data into one data warehouse can be used to systematically monitor transactions for tariff recovery opportunities, savings, and risks



Up-to-date trade data reports that support sourcing and C-level decision-making



Alerts to potential compliance challenges that, if uncorrected, could result in customs audits or penalties



# How are companies expanding savings and compliance through a data-first approach?

## **Common trade data elements monitored help identify and accelerate savings opportunities and risk mitigation measures.**

- Trend analysis (value, average duty, declarations) by legal entity and country
- Duty savings realized
- Potential duty recovery opportunities (duty drawback, exclusions, classification protests)
- Compliance risks (export licensing, import and export classifications, valuation, others)
- Additions to price paid or payable (assists, etc.)
- Bill of Material components for Buy America, Free Trade Agreements, Tax Credits, etc.
- Supplier/customer visibility
- Broker and Forwarder filing accuracy
- C-TPAT supplier analytics
- Forced Labor compliance analytics
- Tracking additions to price paid or payable (assists, etc.)
- Identifying potential risks of supply chains with Forced Labor
- Others

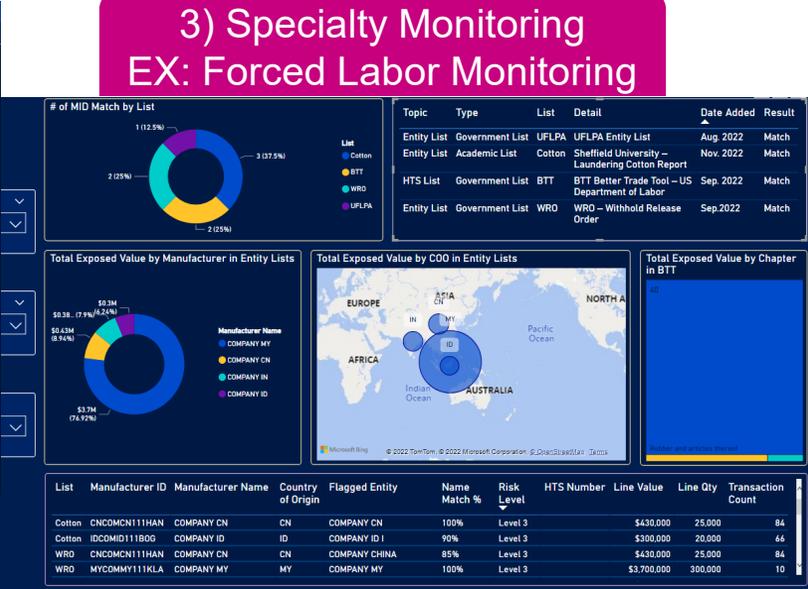
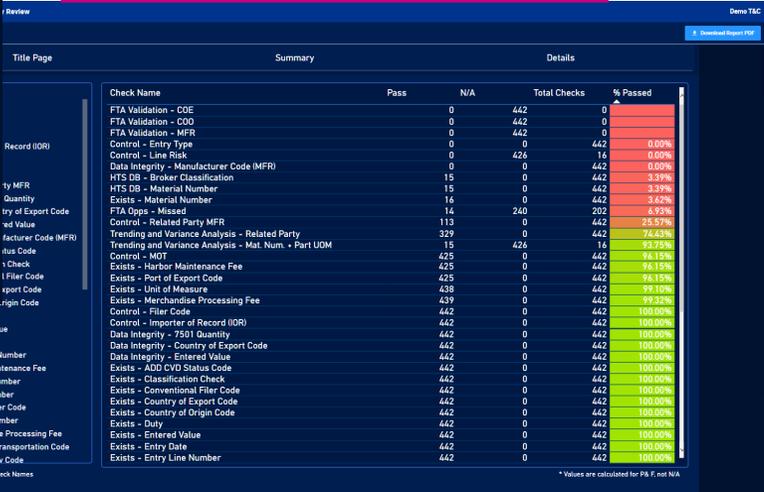
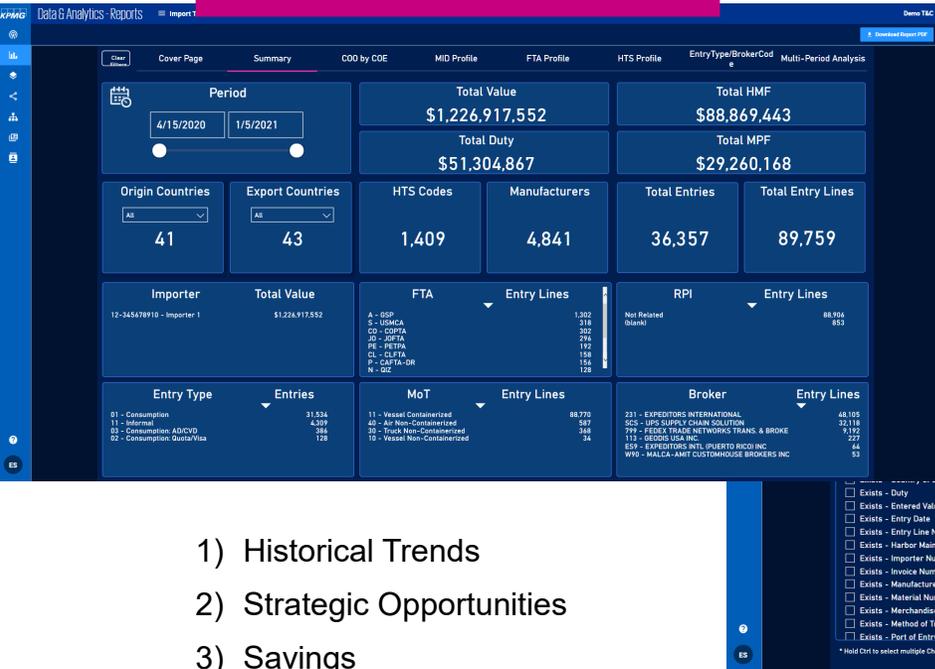
# How and what to monitor?

## Trade Data (Import Data)

### 1) Import Data Monitoring

### 2) Detailed Entry Monitoring

### 3) Specialty Monitoring EX: Forced Labor Monitoring



- 1) Monitor special compliance issues such as Forced labor
- 2) Monitor trade data against gov and non-gov lists (and other accessible sources)
- 3) Monitor suppliers, product, and regions of higher scrutiny

# Traditional savings opportunities

Companies have been embedding trade compliance considerations into business practices as part of mitigating risk and realizing savings. Below is a list of common duty savings and recovery programs that are driven by the trade function:

	First Sale for Export		Broker Fee Reduction
	Foreign Trade Zone		Entry Consolidation
	Duty Drawback		MTB
	Value Allowances		Inland Freight Unbundling
	Section 321		Process Automation
	Self Filing		Country of Origin Modeling
	Cost Unbundling		Sourcing Location
	Classification		VAT Reduction
	Tariff Engineering		First Sale Vendor Margin Optimization
	Protestable Errors		Exclusion Requests

# Considerations for your Savings Programs - Forced Labor

Utilizing duty savings and recovery programs are great tools to bring value to an organization. Prioritizing compliance of these programs is just as important as selling the savings to leadership internally. Below are things to consider when maintaining compliance within some of your key savings' programs and tools:

## First Sale for Export

- Have you mapped your supply chain back to the raw materials suppliers?
- Are you monitoring vendors, factories, parent companies, raw materials suppliers related entities, etc. against gov and non-gov lists?
- Have you leveraged the raw materials and tier 2/3 suppliers' data from your program?



## Foreign Trade Zone

- Is any of your inventory that has been admitted to your zone impacted or a potential Forced labor Candidate?
- Have you created an action plan for impacted inventory that hasn't made entry?
- How early in the supply chain movement are you reviewing for potential forced labor scrutiny?

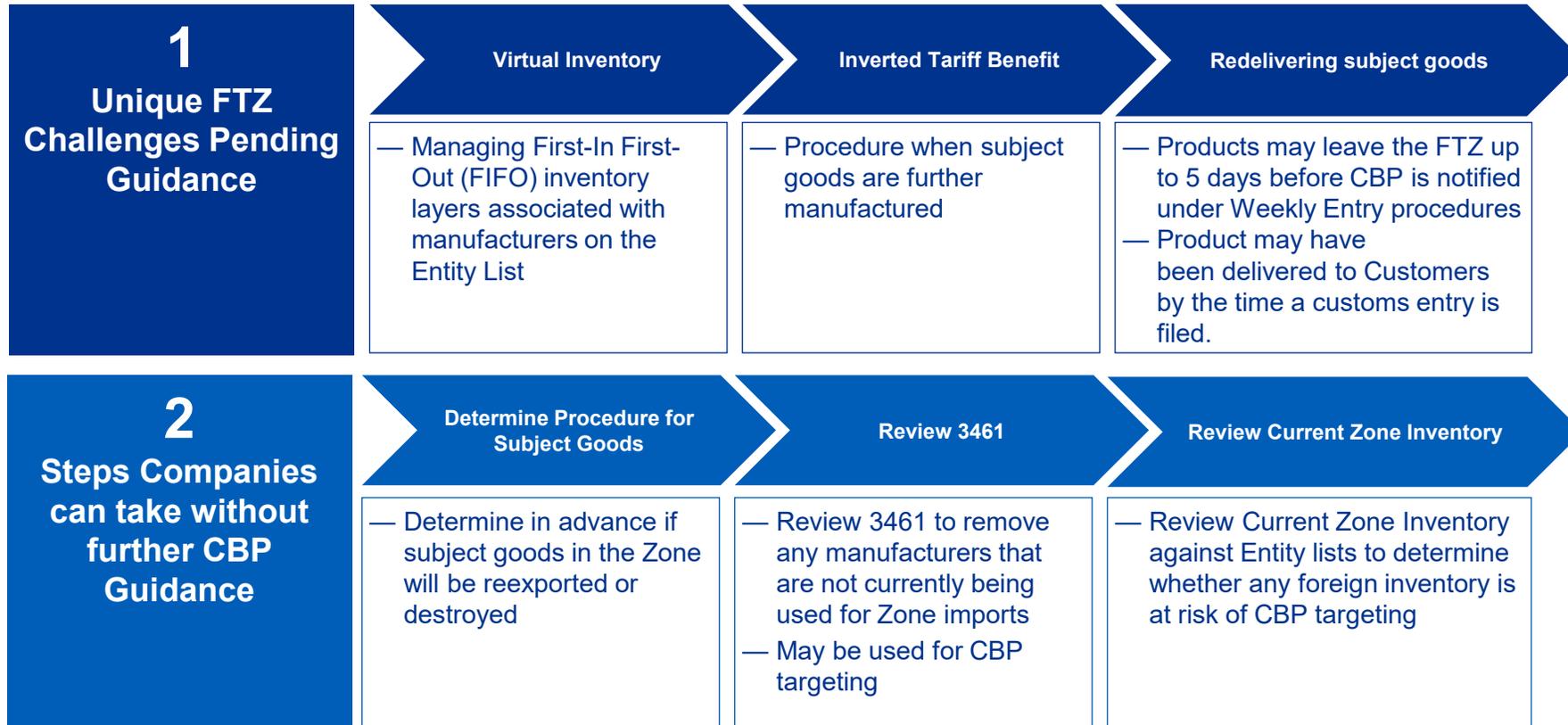
## Section 321

- Do companies who utilize Section 321 need to worry about Forced Labor screening?
- Should I be adjusting my distribution / supply chain to utilize?
- Are China Origin goods subject to section 321?



# Considerations for your Savings Programs - UFLPA and FTZs

The UFLPA currently provides minimal guidance pertaining to **goods being admitted, currently residing, or being entered from an FTZ.**



# Key Takeaways – What you can do when you get back to your desk!





Questions?



**Nicole Porpiglia**  
**Senior Manager**  
nporpiglia@kpmg.com

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.



[kpmg.com/socialmedia](https://kpmg.com/socialmedia)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2023 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.  
NDP354155

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.