



Customs Control Frame Work and The Use Of Smart Data Analytics
Webinar

11 December 2019

XBT Digital

CLOUD SOLUTIONS

“We digitise the audits on compliance of Cross Border Trade”

Our Solutions:

- Digital audits for import & export filings
- Digitised VAT filings
- AEO Authorisation
- Logistics Spend Audits

Our Enablers:

- Platform to enrich filings with ERP, Logistics, Specific data (e.g. VIES)
- Automated workflows to manage and control compliance processes
- Customised BI environment

Agenda

- Customs -scope-
- Customs -enforcement-
- Avoid or minimize customs duties
- Customs value * tariff = customs duties
- Audit file (logistics)
- Platform
- Internal audit & Internal control tools
- Export compliance

Customs –scope-

- Levy duties & taxes at import and export
 - Customs duties
 - Anti dumping levies
 - Turnover tax duties at import
 - Excise duties at import
 - Consumption tax for non alcoholic drinks at import
- Monitor & enforce on safety, Health, economy and environment

Customs –scope-

How to deal with Customs compliance in a **dedicated control frame** and the use of **smart data analytics**.

Customs –enforcement-

Export country

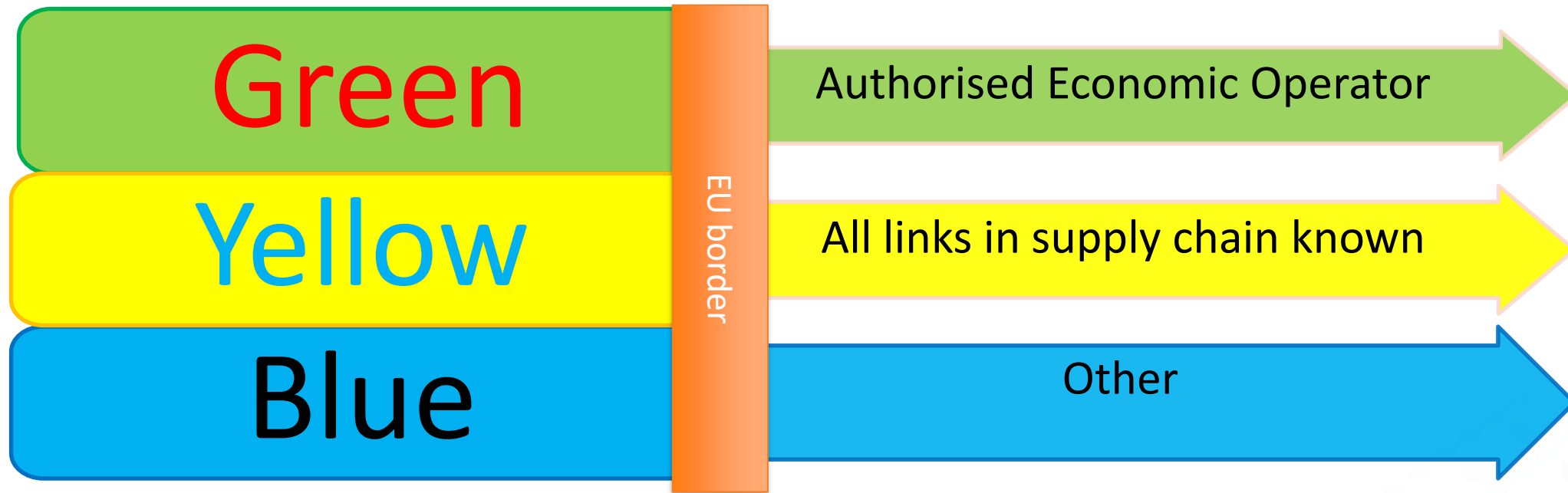
1. Export entry to customs
2. Compliance
 - Sanction measures
 - Strategic / Dual use
 - Chemical goods -> REACH
 - Export certificates (health: human, veterinary and phytosanitary)

Import country (EU)

Customs value * tariff = customs duties

1. Import entry to customs
 - Duties
 - Antidumping duties
 - VAT
 - Excise
2. Compliance
 - Sanction measures
 - Strategic / Dual use
 - Chemical goods -> REACH
 - Export certificates (health: human, veterinary and phytosanitary)

Customs –enforcement-



Customs Secured & Smart* Trade lanes

* *Secure = physical integrity of goods in chain; Smart = quality and reliability of the related data.*

Union Customs Code



- Based on digital data and digital exchange of data between:
 - Economic operators and EU Customs administrations
 - EU Customs administrations and EU Commission
 - EU Customs administrations amongst each other (via Brussels)
- Authorised Economic Operator: the operator is ‘in control’.
- VAT: Certified Taxable Person & benefit of AEO

Avoid or minimize customs duties

Customs warehouse Storage

Inward processing Manufacture, process, assemble and repair in EU

Outward processing Manufacture, process, assemble and repair outside EU

Temporary admission

Customs value * tariff = customs duties

Nowadays:

- Digital declarations
- Classification (even automated), Valuation and Origin Information: standing file details
- Transaction details interfaced from operational systems (re use of data)
- ‘Big data’ evaluation (by customs and therefore traders):
 - Check integrity of standing files
 - Determine most beneficiary source (value, origin)
 - Determine fluctuation in pricing
 - Reconciliation of operational/logistics data with customs data (records, entries/ declarations)
 - Reconciliation of lodged data and returned data from customs

Audit file (logistics)

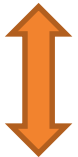
Companies departments

- Sales
- Procurement
- warehouse

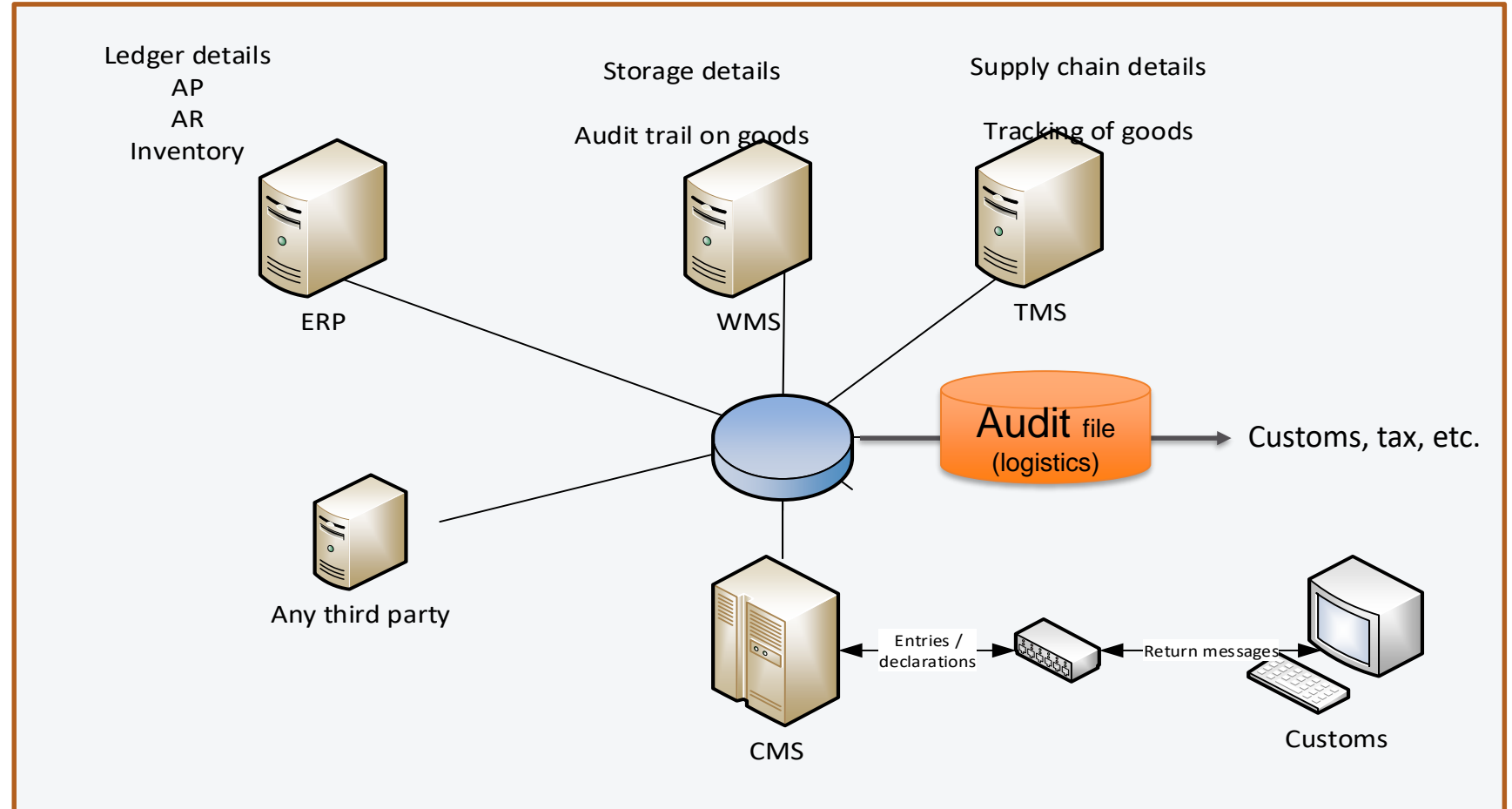


Companies departments

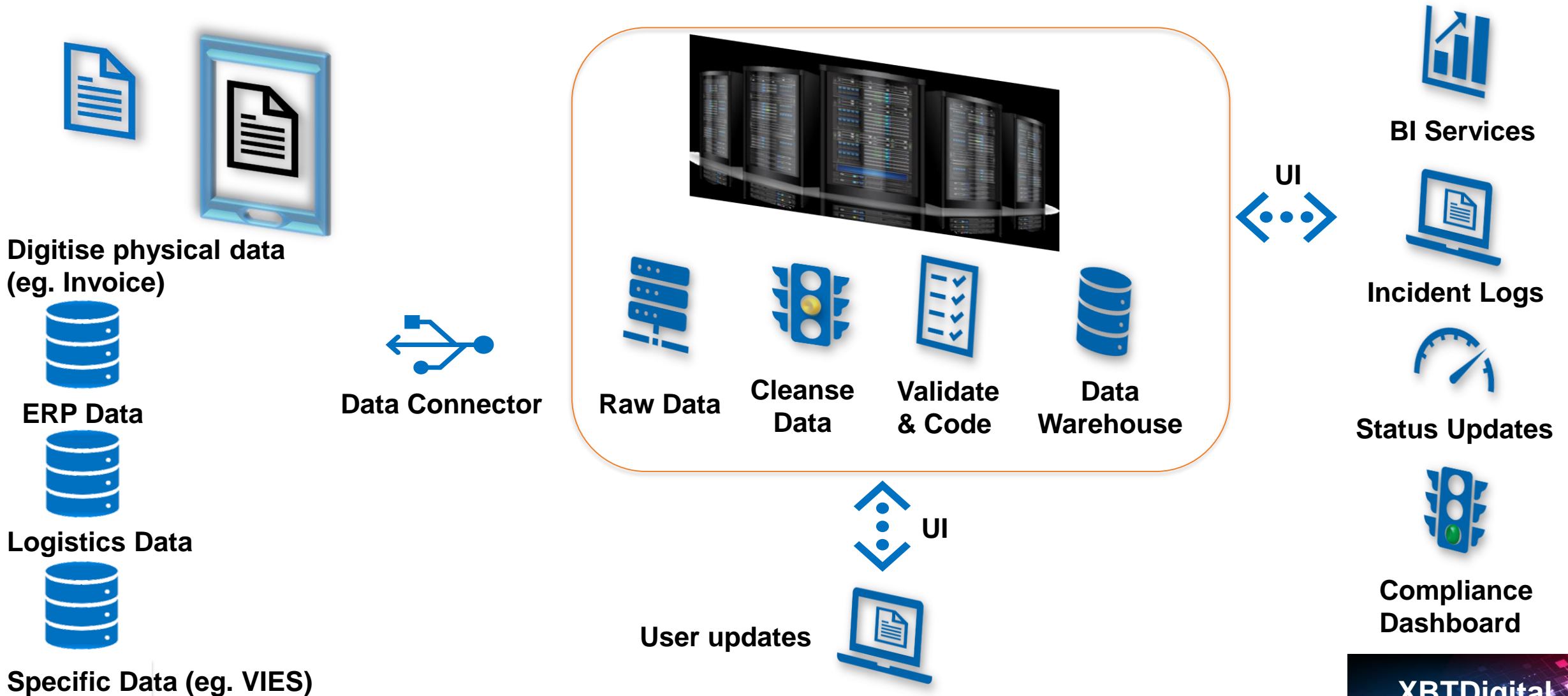
- Customs department



Any third party



Platform Architecture: MSFT Azure/SQL server



Compliance Dashboard & Management info

time_period: 201906
 customer: Alle
 location: Alle
 currency_code: Alle

Management Information ●
 Validation Control ●
 Compliance Control ●
 Process Control ●

2451M invoice_value	Amounts by category 	22799K freight
1102M customs_value		1613K insurance
437K customs_duties_rate		(Leeg) Eerste amount_vat
57 Totaal van invoice_line_no		0M amount_of_exemption
7894 Totaal van record_no		(Leeg) Eerste amount_anti_dumping_levies

By Customs Code					
tarrif_code	Totaal van record_no	invoice_value	customs_value	customs_duties_rate	
	1448				
391732009000000000000000	1	104207	0	0	
39269097900000000000Q300	55	4565969	2104849	18200	
400591000000000000000000	4	283140	129606	0	
400911000000000000000000	4	606412	277584	600	
401699919000000000000000	2	7482	3425	250	
Totaal	7894	2450993559	1102445035	436670	

By Country of Origin				
country_of_origin	Totaal van record_no	invoice_value	customs_value	customs_duties_rate
	1448			
CH	58	70660056	36132020	0
CN	3215	1455310292	674352785	226220
EU	72	24400606	11121731	12680
IN	580	235245125	108257783	32590
MX	818	140208884	44856659	62250
Totaal	7894	2450993559	1102445035	436670

Goodsflow compliance

Period starting inventory	4.197.796	✗	25
Cycle counts	80	✓	1,01%
Rebalanced Value	€ 0,00	✓	
Rebalanced Quantity	0	✓	

time_period: 201906
 customer: Alle
 location: Alle

time_period	AF	BI	BV	EV	HW	Totaal
201906	-4197771	3980054	561899	-344182	0	0
Totaal	-4197771	3980054	561899	-344182	0	0

currency_code	AF	BI	BV	EV	HW	Totaal
EUR	-1166538	1163582	27053	-24097	0	0
GBP	-32106	32106				0
USD	-2999127	2784366	534846	-320085	0	0
Totaal	-4197771	3980054	561899	-344182	0	0

customer	AF	BI	BV	EV	HW	Totaal
	-4197771	3980054	561899	-344182	0	0
Totaal	-4197771	3980054	561899	-344182	0	0

currency_code	AF	BI	BV	EV	HW	Totaal
EUR	-119711852	119223560	4329015	-3889421	48698	0
GBP	-6875218	6875218				0
USD	-1153773066	1110729255	258809299	-215606094	-159394	0
Totaal	-1280360136	1236828033	263138314	-219495515	-110696	0

description25	AF	BI	BV	EV	HW	Totaal
104141858				9	-9	0
106622210	-216	216				0
106622277			14	-14		0
106622285			1	-1		0
106658149	-30		30			0
106658156	-160	130	64	-34	0	0
106658164			8	-8		0
106664139	-500		500		0	0
106688385	-25		25			0
106837206			510	-510		0
106837222			499	-499		0
107025835	-2		2			0
107065583			19	-19		0
107067860	-382	382				0
107067928	-3200	2500	5030	-4330		0
107239493		20	6	-26	0	0
107276180	-8350	6825	1525			0
107321739	-25	50		-25		0
107431512			5	-5		0
107431520			8	-8		0
107431538	-550	240	550	-240	0	0
Totaal	-4197771	3980054	561899	-344182	0	0

GB by SKU

-25!

Doel: 0

GB by CUSTOMER

0✓

Doel: 0

GB by EXCH. RATE

0✓

Doel: 0

GB by PERIOD

0✓

Doel: 0

Coding data: E.g. Invoice + Logistic Data

PO NUMBER/ Ref No.	DEF, Inc
Filing VAT #	NL123456789
INV NBR	2019001
Inv DATE	2-4-2019
Bill to Cust Name	ABC
Addres	24, rue du sac
City	Paris
Postal code	75000
Country	France
VAT-ID Bill to customer	98765432
Coded VAT	FR987654321
Ship To Customer name	CDE
Ship To Address	75, rue d'anvers
Ship To City	Lyon
Ship to Country	France
Tax base amount	€ 0,00
VAT %	0
VAT amount	€ 0,00
Total Amount	€ 0,00
INV CURR	EUR

Klantnaam	ABC
INV NBR	2019001
Country	France
Ship Date	5-2-2019
Qty Ordered	6
Shipper	DHL
Service	Europlus
Order Type	B2B
Shipping Code	Collo
Ship Units	1
TrackTrace nummer	9999999999
Delivery Date	



EXPORT Compliance

Main topics:

- Sanction measures
- Strategic / Dual use
- Export certificates (health: human, veterinary and phytosanitary)

Controls:

- matching of customs data with sales data (ERP or financial system)
- matching of customs data with logistics data (WMS or TMS)
- Both: Realtime and retrospective via audits.

Questions or remarks

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