

How to Remain Compliant with the Customs Laws with Limited Resources

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How to Remain Compliant with the Customs Laws with Limited Resources

Speakers



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Speaker

Planning During A Recession

- These are Tough Times.
- Cost-cutting often becomes a Mantra.
- In terms of the corporate hierarchy of areas often selected for either the corporate axe or reduced emphasis, Customs becomes a prime candidate.
- Why does the Fram Oil Filter commercial come to mind?
- This is One of the Best Times to Put Things In Order.

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Planning During A Recession

- At the same time, in the United States there are
 - U.S. Government pronouncements that enforcement will be emphasized
 - New laws with which to comply: The Lacey Act, Consumer Product Safety Improvement Act, etc.
 - Continued enforcement of the Sarbanes-Oxley law
 - The overlay of Supply Chain Mandates (i.e., 10 + 2)
 - An Expanded Program Within Regulatory Audit

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Planning During A Recession

- Are Things Dramatically Different in Mexico?
- And How About Vietnam?

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Planning During A Recession

- And What of External Factors?
 - Threats to Intellectual Property Rights
 - Unfair competition
 - Lost Opportunities in the Export Sector
 - The Exercise by Political Forces of A Focus on Imports as the Source of All Ills.

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Long-Term View

- TOUGH TIMES NEVER LAST, BUT TOUGH PEOPLE DO.

Dr. Robert H. Schuler

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What Can Be Done in the Near Term?

- Review Your Tariff Classification Program
- Look Anew at Dutiable Values
- Has Your Company Availed Itself of Opportunities under Existing Free Trade Agreements?
- Can Your Company Delay or Avoid the Payment of Duties?

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What Can Be Done in the Near Term?

- Are You on the Lookout for Collateral Attack?
- Is There a Threat to Your Company's Intellectual Property and, Hence, Domestic Business?
- Are You Making the Most of Any Opportunity to Enhance Your Record Keeping Program?
- Are You Keeping Current on Developments?

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A Closer Look at Tariff Classification

- When Was the Last Time You Looked at Product Classification ?
- Have You Looked at or Followed New Rulings?
- Can You and Your Company Help Reduce Tariffs Through Tariff Engineering?
- Is There a Better Way to Ship Products?

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A Closer Look at Tariff Classification – Pt. 2

- Do You Follow Developments
 - Regularly (i.e., Weekly)
 - At the Court of International Trade
 - In Other Markets (e.g., Europe's BTI Program)
 - Through the World Customs Organization
 - In the Legislative Branch?

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A Closer Look at Tariff Classification

- In the final Analysis, a Duty Rate Reduction falls right to the bottom line.
- It is better than Increased Sales
 - There is no SG&A
 - More Importantly, it goes A LONG WAY in terms of Job Enhancement and Security – for YOU.

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And What of Customs Value?

- You May Have Put Too Much Into the Duty Assessment Wringer
 - Can you unbundle certain elements (e.g., Buying Commissions, Non-dutiable Royalties, Inland Freight)
 - Can you use a dose of the First Sale Rule? Is it even available?
 - Are there American Goods to Return?

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While on the Subject of Value

- Don't Lose Sight of the Fact That There May be Increases in Dutiable Values You Need to Capture
 - Tax-Driven Adjustments
 - Assists
 - Purchase Department Side Deals
 - Correction of Non-Clerical Errors

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What Is Out There in Terms of Special Trade Programs?

- A View from the United States.
- A Look at the Extensive Mexican Treaty Network.
- Vietnam is also a Player on the Trade Agreements Front.

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Beware of “FREE” Trade

- In the Final Analysis, Every Program has Its Conditions – Even a Zero Rate Duty Carries a Risk (Certainly in the United States)
- A Look at Various Programs
- Through Various Lenses
- Most Commonly Experienced Problems

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What Do You Need When It Comes to Special Trade Programs?

- One Size Will Not Fit All
- There is Much to Be Said for Separate Files
- A Clear and Concise Set of Rules Should Be Written for Each Such Program.
- Monitor, Monitor, Monitor.

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How Might Your Company Delay or Avoid the Payment of Duties?

- Foreign Trade Zones
 - The Ultimate Planning Vehicle, but Dangerous
 - Be Prepared for Record Keeping
- Bonded Warehouses
- Temporary Importations Under Bond
- American Goods Returned

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If You Paid Duties, Can You Get Any Back?

- Duty Drawback
- Conditions
- Types
 - Manufacturing
 - Unused
- Term

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And What of Foreign Competition

- In Tough Times, Your Company Will Face UNFAIR COMPETITION
- What If It Is Counterfeit, Mismarked or Piratical?
 - Consider Recordation of Trade Marks, Trade Names or Other Programs with Customs
 - Possible Action Before the International Trade Commission (i.e., Section 337)

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Foreign Competition – Part 2

- And What If It Is Unfairly Priced?
 - Antidumping Duty Proceedings
 - Countervailing Duty Actions
 - But Consider
 - Is there an Industry?
 - Is the Injury from Unfairly Priced Foreign Competition?
 - Is it worth It?

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What Does A Recession Do To Your Workload?

- You May Have Fewer Import Transactions
- You May Actually Have Time Available to Do What You Can't Do When Things Are Hectic
- What Should You Do?

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The Recession Filler

- Enhance Your Record Keeping Program
- Look Into Various Duty Saving/Deferral Opportunities
- Take A Closer Look at Supply Chain Security - It is Only Going to Get Tighter
- Look Back to All Open Entries and See if There is Gold in them Thar Hills

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The Recession Filler – Part 2

- Make Sure You Have An Internal Audit Program in Place
 - Don't Hesitate to Involve Others
 - Make Customs Compliance a Shared Responsibility
 - Prior Disclosure is Still the Best Deal in Town

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The Final Chapter

- Based on our collective experiences, spanning the better part of the past four decades
 - A Recession is the Worst Time to Slack Off
 - There are Numerous Opportunities to Make a Positive Contribution to Your Company's Bottom Line
 - While At the Same Time Enhancing Your Internal Compliance Program.
 - All It Takes is Tough People.

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