

CustomsPoint Methodology in Support of Compliance and Efficiency

Relevant to any import or export transaction is the need to properly classify goods according to the corresponding regulations. Surrounding every product classification are regulations affecting product entrance to a particular country. Without accurate product classification and assignment the documentation required to make entry to a country cannot reliably be provided. This essential core process is one area where the tools of automation and computerization have not adequately been applied. Forwarders/Customs Brokers process a majority of the import/export transactions around the world. With few exceptions this process is handled manually and in an ad hoc manner. The classification data often resides locally on paper or within various proprietary software systems that do not communicate with each other. Even worse, the work of product classification is sometimes repeated due to the inaccessibility of prior work – resulting in unnecessary extra work and inconsistent reporting to government authorities. There is no collaborative or automated system that allows the international freight company/importer/exporter to share the most basic of information required in the transaction management process. That basic information is the 10 digit tariff classification specifically associated with the product being imported.

CustomsPoint understands that computers cannot entirely take the place of individuals for import/export processing. Instead, CustomsPoint has taken advantage of modern technologies (especially the Internet) to create a web based application that facilitates the human effort and adds new and improved ways for people to manage international trade information. Even with “perfect” access to tariff schedules and regulations individual employees must still have an excellent understanding of the importer/exporter’s products and trade methods, understand which tariffs and regulations may be applicable, and consistently translate and apply this knowledge to every single shipment transaction. With the traditional broker/forwarder methodology these often complex and sometimes ambiguous decisions are often left to a representative who may or may not have sufficient skill and is under constant pressure to get the freight moving. CustomsPoint’s system provides a practical means whereby specialists anywhere in the world can perform the analysis prior to the time of entry and make the determinations available to any office or customer in the world, at anytime. This is especially

valuable for tariff number determination and assignment which is common to almost any import/export transaction. Manual classification is one of the most common sources of errors and may directly affect the amount of duty paid. Even a “perfect” trade management system will be fatally flawed if it reports incorrect tariff numbers.

Recognizing that tariff determination and assignment is fundamental to import/export transactions, CustomsPoint integrates access to the most updated version of the tariff schedule(s). US government agencies change their tariff schedules multiple times per year. CustomsPoint regularly and automatically monitors the Internet accessible tariff database for any changes. If the changed tariff affects any customer’s parts in the database, then notifications are sent to the customer via the Internet, and the customer’s tariffs can be quickly updated. Each change to the customer’s tariff numbers are logged into the system to provide a compliance audit trail. CustomsPoint’s approach is to make sure that both the product information and the tariff information are up to date and correct, and to make sure that the decision process is accurately recorded. The result is faster clearance processing, greater productivity, better classification accuracy, and improved compliance.

Once your products are properly classified and the determination process is accurately documented then CustomsPoint uses the core database as the primary reference in creating the import and/or export documentation. By mapping invoice data received via FTP, EDI or other electronic means, CustomsPoint matches the electronic data received against the core database and subsequently assigns the proper regulatory information. Once the assignment of the regulatory information has taken place then the information is summarized and electronic documents are generated which can be used for declaration purposes, transmission to authorized parties such as freight forwarders or customs brokers and business reporting and record keeping. This patent pending process is proven to reduce the amount of time spent on the transaction, eliminate errors in reporting and facilitate clearance of goods all of which are core elements in an efficient trade management system. Please contact us for more information on improving your trade management processes.