

Duty Management

Reduce Product Costs Through Trade Programs

Reducing customs duties and tariffs can significantly raise margins. However, most organizations struggle to manually identify and qualify products for free trade agreements (FTAs) and duty savings programs. With e2open®'s Duty Management application, importers can automatically identify relevant duty, tax and tariff reduction programs and fulfill all documentation requirements with minimal manual effort. Importers get a streamlined process that reduces the burden of complex documentation while dramatically lowering import costs with less risk of errors.

Optimizing all available FTAs, duty drawbacks or duty deferral programs is a great way to reduce or eliminate costs. Yet qualifying for and managing each agreement is exceptionally complex and requires expert knowledge, which most companies do not have in-house. To use FTAs, companies must solicit product information from potentially hundreds of supply chain partners and determine which products conform to the rules of origin

for each trade agreement. Likewise, customs warehouses and free-trade zones (FTZ) help importers defer or reclaim their duty payments. Yet, companies often miss these opportunities because the programs are challenging to administer manually and outsourcing this responsibility can quickly outweigh the potential savings.

Key Features

- Supports over 200 FTAs — the broadest coverage in the market
- Determines eligibility across multiple FTAs using a robust qualification engine
- Automatically calculates duty savings or drawback potential
- Successfully analyzes even the most complicated rules of origin against BOMs
- Provides structured campaigns and secure solicitation portals to streamline the gathering of signed FTA certificates or declarations
- Maintains inventory visibility with receipt reports and customs stock sheet
- Generates legally required declarations, statements and certificates of origin and seamlessly manages their revisions and renewals for a reliable audit trail
- Automates the completion and filing of required reports and forms

Key Benefits

- Cuts total cost of goods by using trade agreements and duty reduction programs to lower duty obligations
- Improves cash flow and reduces fees by enabling self-filing with multi-country support
- Automates all required tasks for most duty optimization programs globally
- Decreases labor hours by simplifying the goods admission and withdrawal process
- Reduces the need for costly consultants by automating the qualification process
- Maintains compliance and reduces the risk of errors by linking up with the world's most accurate database of regulatory information

Comprehensive and Automated Trade Agreement Management

Using automation, exhaustive and accurate trade content, a powerful classification engine and streamlined collaboration between supply chain partners, importers can easily maximize cost savings through FTAs.

Identification and Preferential Origin Qualification

With hundreds of trade agreements in force globally, it can be challenging to determine if one exists between specific jurisdictions in the first place. Additionally, each trade program has specific rules of origin stipulating where and how qualifying goods must originate, and these rules determine if a product is eligible for duty reductions. Each product must be individually qualified by analyzing each of its BOM's constituting parts or components. This can represent thousands of line items, making it virtually impossible to manually determine if the goods qualify.

E2open Duty Management identifies duty savings programs that potentially apply to each transaction. It then analyzes product data — down to the last part or material — to determine its origin and identify those eligible for duty savings.

Supplier Solicitation Campaigns

The application enables companies to support duty claims by issuing mass solicitations to their suppliers and receiving responses across a single, collaborative platform. Suppliers can also enter information directly into the system using a secure portal and then generate or upload the certificate of origin to ensure the required statements or certificates are available.

Certificate of Origin Management

Managing certificates of origin and their expirations, renewals and revisions for thousands of products are extremely difficult without automation. Where a certificate of origin is required, the application allows users to generate and republish it while keeping prior versions for audit purposes. Suppose a change results in a product losing its eligibility. In that case, appropriate steps can be taken to withdraw the certificate and distribute a new one, as necessary.

Easy, Efficient Administration of Duty Deferral and Reclaim Programs

E2open's management capabilities simplify complex reporting requirements and maintain complete audit trails for full compliance, mitigating common program barriers so companies can realize the benefits.

Automated Inventory Management for Customs Warehousing

Duty reduction programs, including FTZs and customs warehousing special procedures, usually require stringent inventory documentation. Seamlessly integrating with internal warehouse management systems (WMSs), this application records fundamental inventory movements such as receipts, goods issues and adjustments, automatically reconciling against program requirements.

Identification and Recovery of Excess Duty Payments

The U.S. Duty Drawback program enables companies to reclaim excess duty payments for up to five years after import. Yet, many companies rely on expensive consultants to help manage the program, undermining the savings. By automating the required administrative processes and inventory tracking, businesses can easily and automatically identify and submit claims for current and past transactions that are eligible for refunded duty payments.



Reporting to Meet Program Requirements

The U.S. and EU require duty optimization program participants to adhere to strict reporting rules. For example, U.S. FTZ users must file weekly reports estimating the volume of goods they will move from the zone for consumption. Duty Drawback users must file claims with granular-level duty and fee calculations to determine the amount to be reclaimed. This application enables users to access a comprehensive set of analytical and reporting tools that aggregate, calculate and generate the necessary data to report. Businesses can generate and submit a wide range of reports and official forms for self-filing or pass them to a broker for filing.

Large and Ever-Expanding Coverage

E2open's trade agreement qualification system is scalable and supports over 220 trade agreements. Once the application is set up, users can expand FTA coverage and easily add claim details, documents and rules of origin for more trade agreements to capture additional duty savings.

The World's Most Comprehensive Regulatory Data

The application is powered by the world's most current and exhaustive body of trade content, contained in e2open's Global Knowledge® application. Hundreds of trade specialists following a certified ISO 9001:2015 process gather daily changes to trade rules, regulations and terms and translate them into digital representations to automate trade compliance. Importers can be confident their duty reduction initiatives comply with all documentation requirements and identify all possible programs.

About E2open

At e2open, we're creating a more connected, intelligent supply chain. It starts with sensing and responding to real-time demand, supply and delivery constraints. Bringing together data from customers, distribution channels, suppliers, contract manufacturers and logistics partners, our collaborative and agile supply chain platform enables companies to use data in real time, with artificial intelligence and machine learning to drive smarter decisions. All this complex information is delivered in a single view that encompasses your demand, supply and logistics ecosystems. E2open is changing everything.

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