

## ALUMNI PAGE

### Global Compliance: Ins and out



It is really a great pleasure to be a part of Arthaprajna. It has been an adorable journey to Arthaprajna, kudos to all the efforts and people involved here. Years pass by but the reminiscences are still refreshing and vibrant. 3 years since then it was really a great experience and learning in the corporate world, knowing the nuisance, insights to the corporate world. Did anyone really know the International business was one such emerging field which has lot of potential in it. Being a niche area, few companies who support on Landed cost data, it has much more of opportunities and challenges within it.

Did you know that all merchandise has a harmonized tariff number? And also to know that it is a responsibility as the importer or exporter to properly classify your product? Customs classifications are complex and are used to determine applicable duties, trade statistics, whether a license is required, other government agency requirements and whether a product is subject to ADD/CVD. Ascertaining the Proper tariff code, determining the amount of duty to be paid, different types of taxes applicable, compliance and document requirement is the need to ensure efficiency in the Supply chain.

Compliance becomes problematic for shippers. Inability to adhere to compliance requirements can lead to hefty penalties. Importers who try to avoid the HTS are subjected to added inspection, penalties, assessment of fines or other mitigations as punishment. The punishment could involve a ban on importing and an increase in the frequency of audits of the given importer; with the recent news hovering around the American additional duties on Chinese products and vice versa was a matter of concern in Business arena. Number of large global companies harmed by higher tariffs is exponentially larger than those that are helped by them. And the effects extend well beyond the U.S. As per Bloom Berg Report, In September, BMW AG confirmed profit will fall in 2018, in part because of the trade war. Harley executives said they should be ready by early next year to share plans to mitigate the impact of tariffs that will cost the company as much as \$48 million in 2018."

#### **Why is that important and what do trade Specialist Do?**

Companies can get the Competitive Advantage. The company would then be able to sell goods at significantly lower rates compared to its competitors. Reduce risk, enhance company reputation with customs authorities, and improve your supply chain efficiency

Trade agreements can offer significant cost savings in the form of reduced duty or even

duty-free. It is important to note that importers must understand the legislative requirements and ensure the appropriate audit trails are in place when qualify goods for the benefits of the any agreement.

There are many controls in place for exporting. Are you shipping to an embargo country, is that dual use goods (software, technology), Consignment would be on hold it could be probably you are shipping to Restricted country, person, organization; it is responsibility of importer/exporter to ensure Government regulation. Specific commodities such as softwood lumber, firearms and peanut butter are controlled and require a special permit. There could be the situation where the destination country may require an export permit.



Understanding the law of land and devising strategic plans could prove to be crucial, and hence, there is a need for different plans suitable to different economic environments. Today, the world is witnessing an unprecedented trend of growth, a growth which is dynamic in nature. Understanding and analyzing with better trade solutions is need of an hour for expedited border clearance process, getting their goods to their destination faster.

Isn't that Interesting to know on International Business, with 159 WTO members with their own regulation, unique Harmonized Schedule, a

global village in entirety and Companies deal with providing data to facilitate these trades. Analyzing the forthcoming challenges and channelizing to the great deals can increase exports and reduce import with additional cost advantage and hassle-free trade. With the greater automation trade specialist has better opportunities to utilize.

**Wishing Arthaprajna a great success, it would definitely be something to watch for. With a lot of information that make us Bright I wish Arthaprajna, to reach a new Height.**

Regards,

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