



eBook

Understanding the Global Trade Landscape

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Introduction

In the past, product classification and country of origin (COO) requirements were managed primarily with information collected in-house. Companies handled discrepancies between the data they submitted to customs and the data they received from suppliers reactively, driven by customs audits and inquiries. In turn, customs audits were often performed at random rather than on shipments that were identified as having been misclassified. These audits were as much an attempt to catch improperly labeled shipments as a preventative action.

As technology has evolved, customs authorities have taken a more proactive, smarter, and data-driven approach to the enforcement of accurate classification. Government adoption of digital declaration submissions, analytics, and machine learning has made it easier for customs authorities to review and track whether declarations are correct and quickly take action when there are discrepancies.

Product classification has become increasingly important as tariffs and free trade agreements enter the global marketplace, in part as a result of the U.S. America First trade policy. These shifts combined with increasingly targeted enforcement have led to the creation of preferential regions for import, and have shone a spotlight on COO data and the importance of precise labeling of imported goods.¹

Manufacturers that operate globally are becoming increasingly proactive about obtaining and harmonizing data from suppliers and original equipment manufacturers (OEMs). By acquiring this data, companies can strategically select suppliers and manufacturers to gain financial advantages. Companies can also apply that data to optional programs that position them to quickly move their goods through customs. This additional data lessens the risk of misclassification and disparate classification, allows them to use preferential rates, and helps them gain support from border and government agencies.

Global trade is constantly shifting, and manufacturers must see deeper in their supply chain to acquire and accurately assess supply chain data to support long-term business continuity. This eBook provides an overview of the requirements complex manufacturers are in scope of while operating within the global market, and outlines challenges, solutions, and next steps for long-term success.

¹ European Commission. (2019, October 14). EU trade agreements: delivering new opportunities in times of global economic uncertainties. <https://trade.ec.europa.eu/doclib/press/index.cfm?id=2071>





CHAPTER 01

Understanding the Trade Landscape

Customs organizations have very specific requirements for classifying products that are being shipped globally. As products and supply chains become more complex, supply chain sustainability management becomes increasingly important.

Harmonized System (HS) and Harmonized Tariff Schedule (HTS) codes, as well as COO data, can be used to calculate tariffs, evaluate eligibility for free trade agreements and government contracts, and more. Some regulations and standards that rely on trade classification and origin data include:

- ▶ Asia-Pacific Economic Cooperation (APEC)²
- ▶ Buy America³

- ▶ Buy American⁴
- ▶ Comprehensive Economic and Trade Agreement (CETA)⁵
- ▶ Trans-Pacific Partnership (TPP)
- ▶ U.S. free trade agreements⁶
- ▶ United States-Mexico-Canada Agreement (USMCA), which replaced the North American Free Trade Agreement (NAFTA)⁷ as of July 1, 2020

2 Asia-Pacific Economic Corporation. (2019). About APEC. <https://www.apec.org/About-Us/About-APEC>

3 Federal Transit Administration. (n.d.). Buy America. <https://www.transit.dot.gov/buyamerica>

4 The Canadian Trade Commissioner Service. (2016, February 12). The Buy American Act and Buy America Provisions. <https://www.trade commissioner.gc.ca/sell2usgov-vendreaugouvusa/procurement-marches/buyamerica.aspx?lang=eng>

5 European Commission. (2018, August 24). CETA chapter by chapter. <https://ec.europa.eu/trade/policy/in-focus/ceta/ceta-chapter-by-chapter/>

6 Office of the United States Trade Representative. (n.d.). Free Trade Agreements. <https://ustr.gov/trade-agreements/free-trade-agreements>

7 Office of the United States Trade Representative. (n.d.). United States-Mexico-Canada Agreement. <https://ustr.gov/trade-agreements/free-trade-agreements/united-states-mexico-canada-agreement>

Because customs and border protection organizations rely so much on classification and origin data, processes are being developed within these bodies to identify inconsistencies more efficiently. Manufacturers that move products across international borders must be aware of the need for harmonization, transparency, and accuracy in the product development journey.

Tariffs & Free Trade Agreements

Monitoring changes in tariffs and free trade agreements is important for manufacturers that conduct business internationally.⁸ As tariffs and sanctions are placed on key materials and exporting partners, manufacturers may be forced to source their minerals, parts, and products from alternate suppliers to remain competitive.

Trade wars and shifting foreign policies have also prompted the development of free trade agreements that allow companies to take advantage of preferential tax rates when operating within designated regions.⁹ By strategically conducting business within these regions, manufacturers can increase their revenue.

Product Origins & Destinations

The rapid growth of tariffs and public awareness around ethical sourcing of minerals and parts has led to increased governmental vigilance in tracking the origins and final destinations of goods. Because of the overlap between COO and applicable tariffs, as well as national security programs that influence trade restrictions and limitations, nations take the falsification of COO very seriously and will address discrepancies as they are identified.

Tracking not only COO but the journey a product has taken throughout its production enables manufacturers to build transparency into their business models, which prepares them to respond to inquiries as required to efficiently move products across the globe.

8 Johnson, K. (2019, July 3). While Trump Isolates the U.S., It's 'Let's Make a Deal' for the Rest of the World. Foreign Policy. <https://foreignpolicy.com/2019/07/03/while-trump-isolates-u-s-its-lets-make-a-deal-for-the-rest-of-the-world-trade-fta-mercosur-eu/>

9 Malhotra, N. (2007, April). Growing Preferential Trade Agreements Across the Globe: Lessons for Canada. Asia Pacific. https://www.asiapacific.ca/sites/default/files/archived_pdf/tr/2007/ptas_in_asia_apr07.pdf

Buy American

There are a number of incentives to proactively evaluate COO, such as the Buy American Act. A U.S. law that provides advantageous pricing to American companies that bid on federal procurement contracts, the Buy American Act requires companies to provide proof that:

- ▶ In-scope products are produced or mined in the U.S., or
- ▶ A predetermined percentage of the value of a manufactured item must come from U.S. originating components to qualify^{10, 11}

10 Manuel, K. M. (2016, April 26). The Buy American Act—Preference for “Domestic” Supplies: In Brief. Federation of American Scientists. <https://fas.org/sgp/crs/misc/R43140.pdf>

11 The Canadian Trade Commissioner Service. (2016, February 12). The Buy American Act and Buy America Provisions. <https://www.tradecommissioner.gc.ca/sell2us-gov-vendre-angouvusa/procurement-marches/buyamerica.aspx?lang=eng>



Border Control & Supply Chain Transparency

The technology supporting border control and supply chain transparency has evolved, making it easier for customs bodies to identify inconsistencies in declarations. U.S. Customs and Border Protection (CBP), for example, has adopted the Automated Commercial Environment (ACE) and other automated systems that track whether products are being properly imported.

Due to the impact of the U.S.-China trade dispute and the increasing number of nations under embargo by the U.S., customs authorities are paying closer attention to not only COO, but also the journey a product takes before arriving at its final destination. Maintaining transparency into a product's components across its life cycle is imperative. Legal bodies will not accept ignorance of the law or a product's journey as an excuse, and individuals, as well as corporations, can face severe penalties for non-compliance.¹²

What Is a Trade Dispute?

In recent years, the U.S. has enacted policies and tariffs that contribute to what constitutes a trade dispute: a situation in which countries impose tariffs on trade partners, who retaliate in kind. In 2018, the U.S. federal government imposed import tariffs between 10 and 50 percent on approximately \$283 billion USD worth of goods entering the U.S., and trade partners retaliated by levying tariffs on approximately \$121 billion USD of American exports.

According to the National Bureau of Economic Research, those tariffs have cost U.S. consumers and importers approximately \$4.4 billion USD, and continuing trade disputes incentivize importers to either move their facilities or find new trade partners to avoid tariffs.

¹² Yates, S. Q. (2016, November 8). Deputy Attorney General Sally Quillian Yates Delivers Remarks at New York University School of Law Announcing New Policy on Individual Liability in Matters of Corporate Wrongdoing. The United States Department of Justice.



CHAPTER 02

See Deeper: Essential Trade Data

When shipping products across the globe, manufacturers must prepare documentation that describes what the products are, where they came from, their final destination, and the value of their components. Being able to answer these four questions enables manufacturers to calculate the tariffs they owe and determine whether they qualify for any free trade agreements or exemptions.

In the past, manufacturers have answered these questions with information available internally or by their own staff's estimation. However, with governing bodies more actively scrutinizing submitted declarations, manufacturers are proactively collecting and validating part and product information from their supply chains.

HS & HTS Codes

The classification of a product being shipped determines the tariffs that will apply to it. In order to ensure consistent identification and labeling of these products, manufacturers can use the Harmonized Commodity Description and Coding System (HS). This coding system is used by Members of the World Customs Organization (WCO) use this coding system to identify goods and services.



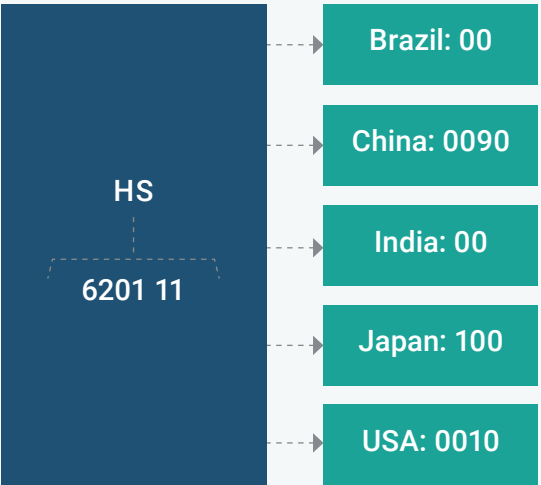
Under the HS system, each product has a specific type and subtype that describes it. For example, a men's shirt might be classified by the number 6205.20, with the 6205 indicating that it is non-knitted or crocheted, and the 20 indicating that it is made of cotton. With such specific subcategorization, the tariffs, exemptions, and regulations a product is in scope of can change dramatically.

The process becomes more complicated when importing to the U.S., where the U.S. Trade Commission has developed Harmonized Tariff Schedule (HTS) codes. HTS codes are a four-digit extension to the HS code that is assigned to specific products to specify categories, product types, and use case or materials.

The U.S. is not the only country to make additions to HS codes. Although more than 200 countries and economies use the WCO's system of standardization,¹³ many members add extensions to the original six, which can dramatically change the tariffs charged. For example, in the U.S., overcoats with fur are taxed at 12.8 percent, whereas overcoats without are taxed at 9.1 percent.¹⁴ If the incorrect HTS code is used in this case, it can result in an almost 4 percent difference in cost.

Countries that are not members of the WCO have their own methods of classifying goods. Importers must be diligent in ensuring their HS/HTS codes match up with what their suppliers or destinations are using if they are not a member of the WCO, or else risk business disruption.

Global Classification of Men's Wool Overcoats With a Fur-Lined Hood¹⁵



¹⁵ Japan: Export.Gov. (2017, May 22). 2. HS Codes. <https://www.export.gov/article?id=eCommerce-Harmonized-System-Codes>

USA: Harmonized Tariff Schedule (2019 Revision 16). (2019). HTS Search. <https://hts.usitc.gov/?query=outerwear%20coat%20fur%20trim>

Brazil: Masterclass Brazil. (n.d.) Mercosur Common Nomenclature (MCN). <http://masterclassbrazil.com/managing-a-business-in-brazil/merc-sur-common-nomenclature-mcn/>

India: Cubex Exim Solutions (P) Ltd. (2010). HS Codes of Heading 4303: Articles of Apparel, Clothing Accessories and Other Articles of Furskin. <http://www.cybex.in/HS-Codes/Articles-Apparel-Clothing-Accessories-Furskin-Heading-4303.aspx>

China: ETCN. (2019). China Customs HS Code & Tariff for 6201. <http://hs.e-to-china.com/ks-6201.html>

¹³ World Customs Organization. (n.d.). What is the Harmonized System (HS)? <http://www.wcoomd.org/en/topics/nomenclature/overview/what-is-the-harmonized-system.aspx>

¹⁴ Export.Gov. (2017, May 22). 2. HS Codes. <https://www.export.gov/article?id=eCommerce-Harmonized-System-Codes>

Country of Origin

The COO indicates where a product or its components were manufactured or produced. When shipping products across international borders, it is important to keep track of where products originate, as COO impacts tariffs, exemptions, and sanctions that may apply. Assigning the correct COO to a product can not only result in considerable cost savings, but also protect the company and its leadership from the legal repercussions of misrepresenting the COO.

In addition to impacting tariffs, enforcement bodies such as the U.S. Office of Foreign Assets Control (OFAC) also use COO to screen for unethical mineral sourcing. With the expansion of laws and regulations against human trafficking, responsible mineral sourcing has become a point of concern in international trade, and can affect the type of contract a company might be eligible for.¹⁶ Documenting responsible mineral procurement across the supply chain mitigates risks to business continuity and market access, as well as potential damage to brand reputation that can result from unethical sourcing.

Product & Part Valuation

Valuation is a factor that customs bodies use to determine the classification of goods entering a country. In order to accurately classify imports and calculate tariffs, the value of the import must be determined.

For example, as part of the entry process to the U.S., goods must be classified within the U.S. tariff system. As part of that classification, the value of the product and transaction must be determined.¹⁷ The total transaction value may also include:

- ▶ Packing costs incurred by the buyer
- ▶ Selling commission incurred by the buyer
- ▶ Value of any assists provided by third parties to the buyer
- ▶ Royalties or license fees the buyer is required to pay, directly or indirectly, as a condition of sale
- ▶ Proceeds of subsequent resale, disposal, or use of imported merchandise that accrue, directly or indirectly, to the seller¹⁸

¹⁶ NHS Supply Chain. (2018). Sustainability. <https://www.supplychain.nhs.uk/about-us/sustainability/>

¹⁷ U.S. Customs and Border Protection. (2006, July). What Every Member of the Trade Community Should Know About: Customs Value. https://www.cbp.gov/sites/default/files/assets/documents/2016-Apr/icp001r2_3.pdf

¹⁸ U.S. Customs and Border Protection. (2006, July). What Every Member of the Trade Community Should Know About: Customs Value. https://www.cbp.gov/sites/default/files/assets/documents/2016-Apr/icp001r2_3.pdf



Example of an HTS Code for Gold¹⁹

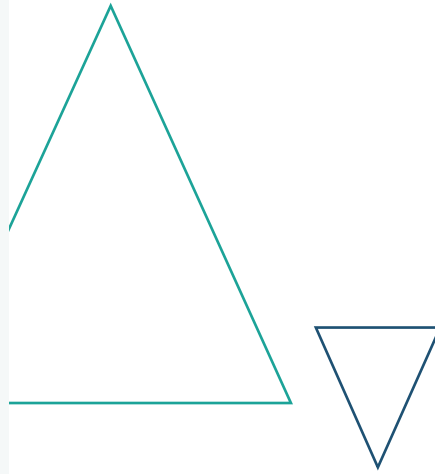
7108: Gold, including gold-plated platinum, unwrought or in semi-manufactured forms, or in powder form

12: Other unwrought forms

10: Bullion and doré

13: Containing by weight not less than 99.96 percent of gold

¹⁹ Harmonized Tariff Schedule (2022, Revision 11). (2019). HTS Search. <https://hts.usitc.gov/?query=outerwear%20coat%20fur%20trim>



Export Control Classification

Export Control Classification Numbers (ECCN) are a classification developed by the U.S. Department of Commerce Bureau of Industry and Security. Found on the Commerce Control List (CCL), the ECCN is a five-character designation that identifies items based on the nature of the product.²⁰ If a product has an ECCN classification, there may be restrictions on its export, and the exporter must determine whether authorization is required to export their product based on the following questions:

- ▶ Where is the product going?
- ▶ Who is the end user of the product?
- ▶ What will the end use of the product be?

²⁰ Bureau of Industry and Security. (2019). Commerce Control List. <https://www.bis.doc.gov/index.php/licensing/commerce-control-list-classification/commerce-control-list-cc/17-regulations/139-commerce-control-list-ccl>





Be Smarter: Risk Mitigation

Because classification and COO can have a drastic impact on the tariffs associated with a product, customs bodies take the misrepresentation of this information seriously. Not only have global customs bodies increased the frequency of audits, but they have also adopted technologies to process more information more quickly.²¹

²¹ Okazaki, Y. (2017, March). Implications of Big Data for Customs - How It Can Support Risk Management Capabilities. World Customs Organization. http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/research/research-paper-series/39_okazaki_big-data.pdf

“From a government perspective, [AI] holds the potential for enhanced insight into public service operations and improved delivery of services, including through anticipatory responsiveness to inquiries, discovery of new trends, and automation of internal processes.”²²

— Douglas Maughan, Director, Cybersecurity Division.
S&T Homeland Security Advanced Research Project Agency
March 7, 2018

²² Maughan, D. (2018, March 7). Written testimony of S&T Homeland Security Advanced Research Project Agency Cybersecurity Division Director Douglas Maughan for a House Committee on Oversight and Government Reform, Subcommittee on Information Technology hearing titled “Game Changers: Artificial Intelligence Part II: Artificial Intelligence and the Federal Government”. Homeland Security. <https://www.dhs.gov/news/2018/03/07/written-testimony-st-house-committee-oversight-and-government-reform-subcommittee>



With the adoption of data analytics systems and AI, customs and border control are able to check every piece of data submitted to them from importers and their suppliers. They can identify inconsistencies in submissions and trends that suggest a shipment may be incorrectly labeled, leading to more targeted audits.²³

Whether inconsistencies are an honest mistake or intentional, the consequences begin with increased processing time and audits, and can lead to the company or individuals at fault facing fines, loss of import privileges, or imprisonment.

Increased Audits

Before customs and border control agencies had access to data analytics to more consistently target imports, audits were often performed arbitrarily. This approach acted as a deterrent to illegal imports rather than an active search for them, and often missed restricted substances or incorrectly classified goods.

Predictive analytics and AI have enabled border protection agencies to identify imports of concern and perform more targeted audits based on the data provided by the importer. Manufacturers that frequently have discrepancies in their customs declarations are more likely to be targeted for audit in the future. Consistent delays at customs can translate to disruptions in business continuity, poor brand reputation, and lost revenue.

Financial Risks

Relative to the number of successful audits performed by customs organizations, the number of fines levied against importers has increased in recent years. In the U.S. alone, during the 2018 fiscal year, the U.S. CBP collected approximately \$92.1 million USD in penalties on importers for fraud, gross negligence, and negligence of antidumping and countervailing duties (AC/CVD), with an additional \$1.3 million USD for AC/CVD violations. This does not include the prevented evasion and recovery of duties owed, which exceeded \$110 million USD.²⁴

23 Okazaki, Y. (2017, March). *Implications of Big Data for Customs - How It Can Support Risk Management Capabilities*. World Customs Organization. http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/research/research-paper-series/39_okazaki_big-data.pdf

24 U.S. Customs and Border Protection. (2019, July). *CBP Trade and Travel Report*. <https://www.cbp.gov/sites/default/files/assets/documents/2019-Jul/CBP%20FY18%20Trade%20and%20Travel%20Report-compliant.pdf>

The Yates Memo

Under provisions outlined in the Individual Accountability for Corporate Wrongdoing Memorandum, known commonly as the Yates Memo, individuals can be held personally accountable for corporate wrongdoing. They can be fined, lose import/export privileges, and, in extreme cases, may face prison time.²⁵

²⁵ Yates, S.Q. (2015, September 9). Individual Accountability for COrporate Wrongdoing. U.S. Department of Justice. <https://www.justice.gov/archives/dag/file/769036/download>

Loss of Contract

Delays in collecting and providing classification and COO data can have serious implications on growth, and incorrect labeling can lead to delays in business continuity. A manufacturer that cannot ship products due to lack of key data, or whose product or purchased components are held for long periods at the border, can miss key client and production deadlines. This can negatively impact client satisfaction and confidence, and could lead to loss of business opportunities. Failure to adequately complete declarations can also result in the loss of eligibility for government contracts.

Loss of Privilege

Manufacturers that submit incorrect declarations may face loss of import/export privileges that can limit their ability to function. It can also result in the mandatory retention of an approved team to monitor compliance with export control laws for a period of time. This can cause long-term — sometimes permanent — damage to companies. Companies that intentionally lie during import or export risk fines, seized goods, loss of market access through temporary or permanent bans, and damages to their reputation.²⁶

²⁶ Shane, D. (2018, July 7). US Cuts a Deal With Chinese Smartphone Maker ZTE. CNN Business. <https://money.cnn.com/2018/06/07/technology/zte-china-deal-ross/index.html>





CHAPTER 04

The Value of Transparency

With the right data, manufacturers can proactively address risks that result from shipping products internationally, and gain advantages and preferential rates depending on where in the world they are conducting business. However, collecting product classification and COO data takes time and can be an imperfect process if a company is relying on manual processes. Data collection using scheduled, automated supplier outreach and data validation is key to building complete supply chain transparency and allows companies to identify inconsistencies before they reach an international border.

Efficient data collection also enables manufacturers to take advantage of free trade agreements, respond efficiently to their trade and regulatory requirements, and position themselves to secure preferential rates and programs.

Building Data Consistency

When collecting supply chain data, consistency is key. Maintaining a regular cadence for data collection, rather than relying on one-off queries, supports rolling updates as information changes, and protects businesses from surprises as the data is analyzed.

Collecting data as early as possible gives manufacturers time to incorporate review procedures into their declarations, and mitigate risks before shipping across international borders.

Consistency is also becoming increasingly important as governments and customs organizations adopt AI to review data submissions. These systems function by flagging importers whose data is frequently incorrect or inconsistent, leading to more frequent audits and longer customs holds.²⁷

Leveraging Supply Chain Data for Business Gains

A successful supply chain sustainability management program also informs smarter decision-making. As preferred regions are established through international trade agreements, manufacturers can leverage preferential rates and tariff exemptions to drive revenue.

Depending on a product's classification code, it may be eligible for various exemptions under existing tariffs. By ensuring a product is correctly labeled, manufacturers can apply for all relevant exemptions, potentially adding hundreds of thousands to millions of dollars to their bottom lines.

Knowing where a product comes from and having detailed insight into the supply chain also supports the ability to bid for higher contract values under such programs as Buy America, Buy American, or the International Traffic in Arms Regulations (ITAR).

²⁷ Maughan, D. (2018, March 7). Written testimony of S&T Homeland Security Advanced Research Project Agency Cybersecurity Division Director Douglas Maughan for a House Committee on Oversight and Government Reform, Subcommittee on Information Technology hearing titled "Game Changers: Artificial Intelligence Part II: Artificial Intelligence and the Federal Government". *Homeland Security*. <https://www.dhs.gov/news/2018/03/07/written-testimony-st-house-committee-oversight-and-government-reform-subcommittee>

Customs Trade Partnership Against Terrorism (CTPAT)

The U.S. Customs Trade Partnership Against Terrorism (CTPAT) is a voluntary program that requires companies to champion transparency in their supply chains.²⁸ In exchange for their efforts, companies receive numerous benefits, including:

- ▶ Involvement in the CBP decision-making process
- ▶ Fewer CBP exams and inspections
- ▶ Preferential treatment in the event of a terrorist attack or national disaster

²⁸ U.S. Customs and Border Protection. (2019, August 15). CTPAT: Customs Trade Partnership Against Terrorism. <https://www.cbp.gov/border-security/ports-entry/cargo-security/ctpat>





Anonymous Case Study

Avoiding Tariffs Through Strategic Business Planning

Landscape

- ▶ United States
- ▶ China
- ▶ Taiwan

Seeing Deeper & Finding Savings

Trade disputes between the U.S. and China — and other changes in the overall global trade landscape — have, in some cases, made the sourcing of materials and manufacture of products expensive. This was the case with American manufacturer Acme Co., whose processes involved purchasing parts and shipping them to its manufacturer.

A company with \$12 million USD annual revenue, Acme Co. is very careful about its profit margins. Because Acme Co. could purchase parts cheaper than its manufacturer could, the company purchased those parts from a Chinese supplier and shipped them to the manufacturer in Taiwan. However, Acme Co. had to pay a tariff when it shipped the parts to its manufacturers, and then again when the completed product was shipped back to the U.S. These tariffs removed hundreds of thousands of dollars annually from Acme Co.'s bottom line.

A closer look at its processes and trade landscape revealed that if the Taiwanese manufacturer purchased the parts, the product would no longer be in scope of tariffs placed upon Chinese products. This meant that, even while paying a higher rate for parts, Acme Co. ended up saving almost \$700,000 USD annually.²⁹

Much has changed since the days of filling out carbon copy forms that would eventually be scanned or manually handed over at customs. Given the speed with which vast amounts of data now move across the globe, it is more important than ever to adapt to modern data practices.

²⁹ This anonymized case study was based on a technology company with a \$12 million USD annual revenue.



Grow Better: Building Your Program

A successful trade classification and origin program makes the most of modern data technology and creates a process that is more effective and less resource-heavy. This chapter outlines three vital components of a modern trade classification program:

- ▶ Supplier engagement
- ▶ Data validation
- ▶ Data retention

Automation can be used to improve the performance of all three while reducing internal costs. The Assent Supply Chain Sustainability Platform uses automation combined with our expert supplier engagement and education services to provide a complete supply chain sustainability management solution.



Transparency Through Supplier Engagement

Proactive data collection cannot succeed without communicating with suppliers. By encouraging conversations with suppliers, companies have the opportunity to establish more positive relationships, leading to higher response rates and better data.

Establishing these relationships can be challenging when differences in language and timezone come into play. Automating and standardizing those processes, however, can support transparency without expending additional resources. You can also provide suppliers with dedicated resources through a learning management system or training program that can help them understand what is required of them, and how to manage challenges in their supply chain sustainability management process.

Achieving Validation Efficiency With Automation

Spending internal resources on reviewing submitted customs data is inefficient and prone to error. Automating these processes helps ensure that data is validated correctly and efficiently.

Automatic data collection tools can also aggregate data to create a more complete picture of a product's supply chain journey. By collecting and storing COO, price, and classification details at the part level, manufacturers have rapid access to the information they need to answer queries concerning every aspect of their product.

Risk Mitigation With Long-Term Data Retention

Many customs authorities require companies to maintain records of their supply chain trade compliance data for years after their transactions are complete. These records may include data received from suppliers, supplier contact information, part COO, and product valuation, as well as proof of each, where applicable. This data should be stored in a format that can be searched, analyzed, and reported on so it can be easily provided upon request.

Manufacturers that effectively maintain archived data also position themselves for long-term success when collecting data for future transactions. This is especially true if the database being utilized can support teams in obtaining preferential rates.



Conclusion

The product classification landscape is constantly shifting. With the changing global trade environment, and the proliferation of tariffs and free trade agreements, it is more important than ever for complex manufacturers to ensure the supply chain data they collect is accurate.

When shipping products around the globe, manufacturers must be prepared to provide customs authorities with considerable amounts of product data. Rather than assuming the validity of information received from suppliers, or relying purely on internal records, putting checks and balances in place to ensure the data is correct before shipment is the safest choice. This helps manufacturers avoid risks such as disruptions to business continuity, fines, or loss of privilege.

Additionally, it provides manufacturers insight into how they can use free trade agreements and government programs to save time and money while getting products through customs.

The most valuable tool to counteract the challenges change creates is accurate data. Having access to all the information needed to fulfill data requests minimizes holds at the border and provides manufacturers with an opportunity to discover cost savings and efficiencies.

Contact Assent at info@assent.com to learn how we can help you streamline your trade classification and origin programs.



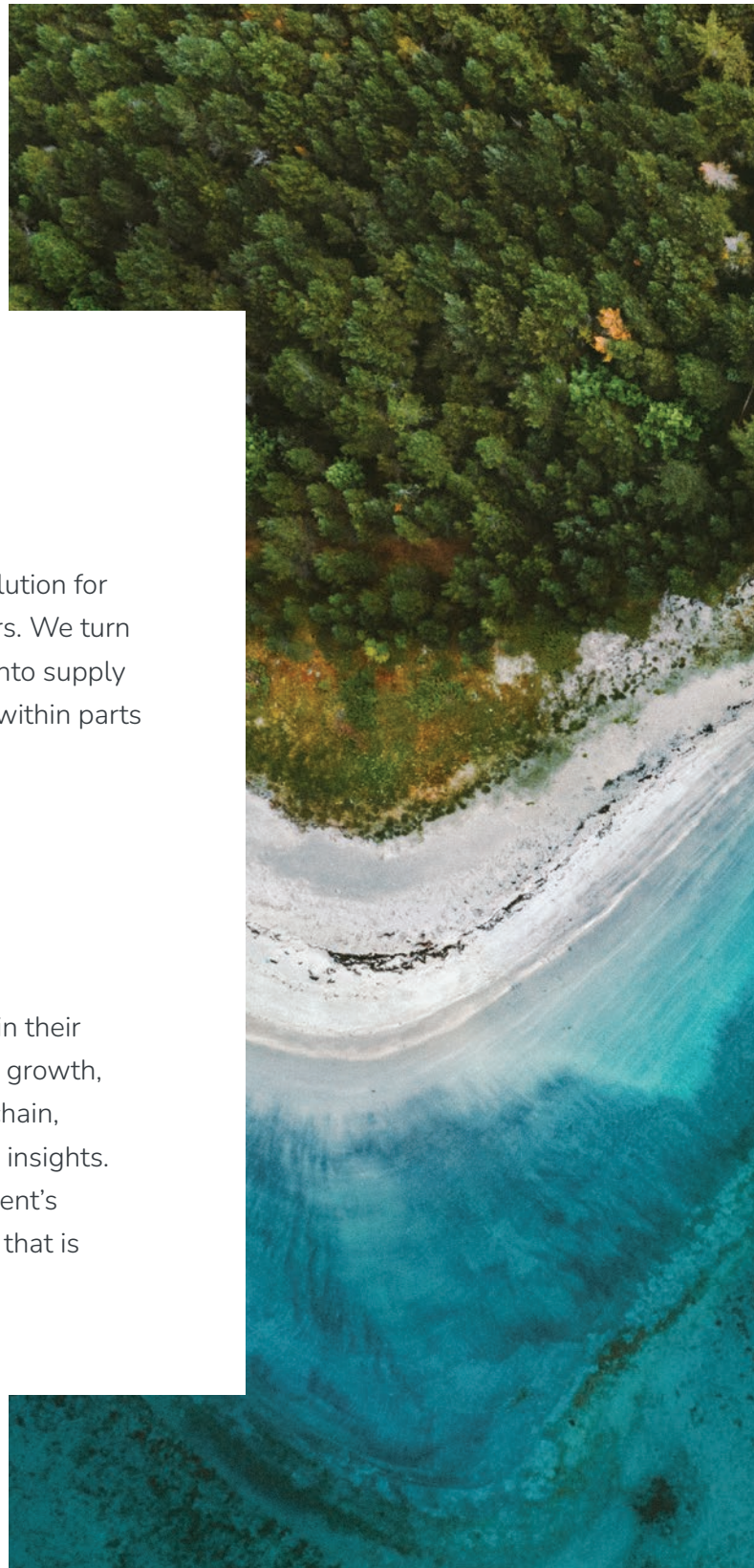


Who Is Assent?

Assent is the supply chain sustainability management solution for the world's most forward-thinking complex manufacturers. We turn sustainability goals into tangible action by delving deep into supply chains, identifying suppliers, parts, and even substances within parts to map the entire complex manufacturing genome.

What We Do

We help companies spot sustainability risks hiding deep in their supply chains and identify new areas of focus to enhance growth, efficiency, and value. By digging deep within the supply chain, we pull and validate more actionable data to provide real insights. Guided by regulatory experts with a diverse skill set, Assent's solution delivers a cross-enterprise view of sustainability that is necessary for true leadership in the field.





[Assent is] a low touchpoint program with very high results and program growth, year in and year out.

— Ryan Zelhofer, Former Product Compliance Manager, Plexus

Over **200,000**
parts managed

80% reduction in staff
management hours



The Assent Solution

The journey toward sustainability demands a new way of thinking about supply chains. Assent turns your supply chain data into a critical tool to make safe, sustainable, and ethical products by providing:

- ▶ Clean data collected from the source using automated engagement techniques that dive deeper into supply chains
- ▶ Crucial, at-a-glance supply chain sustainability data through streamlined dashboards
- ▶ An adaptable program that evolves alongside regulations and industry trends

People are the beating heart of any sustainability program. Assent combines its leading technology with expert guidance, ensuring each program is tailored to your specific needs. Dedicated customer success managers make sure you have a familiar face to speak to about changing program goals or enhancements.

Our Global Offices

Canada

525 Coventry Road
Ottawa, ON K1K 2C5
Canada

Toll Free: 1 866 964 6931

Eldoret, Kenya

Daima Towers
21st & 22nd Floor
Eldoret, Kenya

Malaysia

Unit 9.02, Menara Boustead Penang
39, Jalan Sultan Ahmad Shah
10050 Penang

Netherlands

Barbara Strozilaan 101, 1083 HN
Amsterdam, Netherlands
+31 20 299 1714

United States

20 E Broad ST FL 8
Columbus, OH 43215-3403
U.S.A.

Toll Free: 1 866 964 6931

assent.com
info@assent.com

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525 Coventry Road
Ottawa, ON K1K 2C5
Canada

1 866 964 6931
info@assent.com
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