



**Control and reduce
your customs duties with
a global trade management
solution**

International export and import regulations are constantly evolving. We are reminded of this every day in the news: from Brexit to the transatlantic trade war with its resurgence of (non)tariff barriers, to the OECD's anti-bribery reforms in international business transactions and the onslaught of international economic sanctions against Russia following its invasion of Ukraine.

With the increase in financial and reputational risks associated with the strengthening of legal instruments to control the compliance of international activities, customs services for companies have become strategic partners. They must optimise the cost of duties and taxes in the face of real internal resource issues, while monitoring regulations and managing customs compliance in day-to-day operations. It is all extremely time-consuming.

Find out here how to better control and reduce your customs duties and taxes, with a GTM (Global Trade Management) solution.



Constantly changing duties and taxes

In a particularly volatile international context, trade duties and taxes are constantly changing. In addition, periods of crisis, such as when the economy recovered in 2021, can lead to global supply problems. Without regular information, regulatory oversight, and timely decision making, it is difficult to decide the best approaches.

Customs services are caught between a rock and a hard place. On the one hand, they are tempted to proactively anticipate and inform trade and purchasing departments of the financial impact of changes in customs rates and taxes, and on the other hand, they are tempted to look for ways to save money, either on the basis of what may be outdated tariff information or on the basis of optimising customs processes that can be simplified, harmonised, centralised and/or automated.

Free trade agreements and controlled tariffs are key levers for legally optimising tariff savings

Two levers of competitiveness in international trade that promote lower customs costs are:

- **free trade agreements**, particularly between the European Union and foreign countries with which it has privileged trade relations, as well as
- **the customs classification of goods** (used in the customs declarations for export/import, intrastat and extrastat), when it has been fully understood and followed. Explanations.

Free trade agreement: an opportunity to reduce tariffs

The European Union and most countries that trade with other countries conclude free trade agreements to facilitate and stimulate exports and imports between them. These agreements allow exporters and importers to benefit from a reduction or an advantageous exemption of customs duties provided that they justify the preferential origin of their goods.

For example, in August 2020, the European Union concluded **a trade agreement with Vietnam** - one of the most ambitious among those concluded with a developing country. Eventually, within 10 years, 99% of tariffs will be eliminated, providing increased trade opportunities for European and Vietnamese exporters. To date, customs duties with this Asian country have already been reduced by 65% from the European Union and 71% from Vietnam.

To qualify for the tariff reductions typically offered by these free trade agreements (FTAs), companies must:

- comply with the rules for obtaining preferential origin set out in the agreement;
- know the tariff context of the exported product and verify that it is eligible;
- check the regulations in force for the product in relation to its entry into the partner country (Vietnam, in this example);
- verify that the product meets FTA eligibility criteria, including its origin, logistical source, and manufacturing method;
- provide the mandatory administrative documents proving the preferential origin of the exported/imported goods.

Free trade agreements therefore offer tremendous opportunities for growth and international competitiveness through:

- trade facilitation: promotion of international trade between the countries that are signatories to these agreements;
- application of tax privileges (reduction or exemption of customs duties) on imports from beneficiary countries;
- development of products of preferential origin provided that they are eligible for the conditions for obtaining tariff preference.

[Learn more about MyTower GTM Origine](#)



The customs tariff or designation of goods: the better you know the classification, the more you save

Each imported/exported product is accompanied by a unique customs code defining the applicable.

- Trade measures, safety standards, rules of origin, etc., as well as the required product-specific documentation and customs codes.
- The applicable customs duty rate
- Statistics on the external balance of the product

The first 6 digits of the customs codes are common throughout the world. The additional 4 to 6 digits are specific to the country of export and import. They are a key factor in:

- knowing the obligations governing a company's exports & imports;
- determining the cost of goods - duties and taxes paid;
- protecting a company's reputation on the international market by respecting the standards and regulations in force for its products.

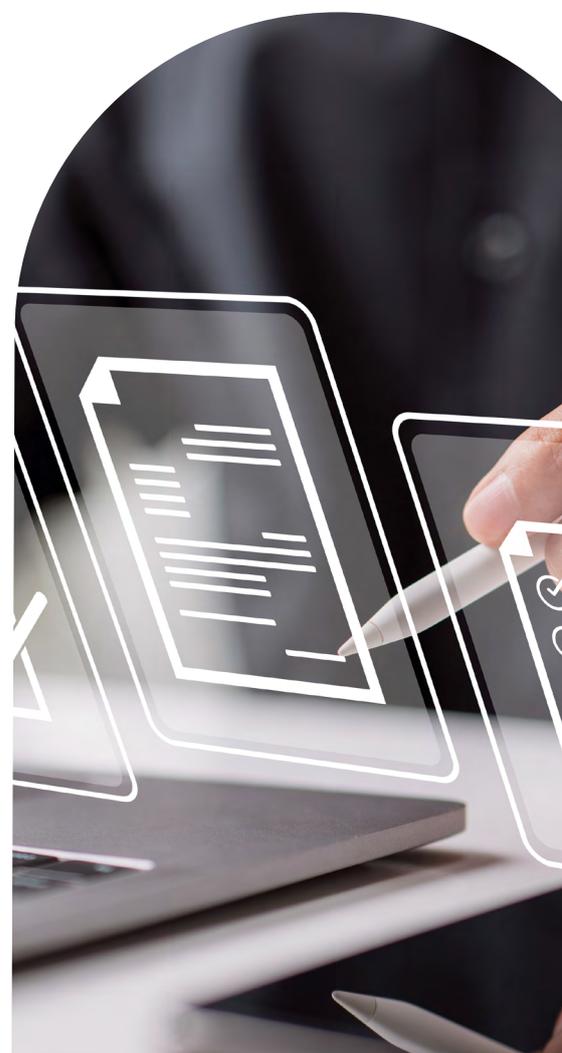
Tariff classification is therefore a strategic issue for any company operating internationally, provided that it is understood and followed. Relying on a digital solution allowing automation of classification (choice of codes) and regulatory monitoring (ensuring the updating of codes), ensures:

- reliability of the data;
- significant reduction in the costs of customs processes;
- sustainability of the company's customs compliance;
- reduction of errors and risks of sanctions.

[Learn more about MyTower GTM Classification](#)

Reducing and controlling customs duties: the benefits of a GTM solution

The complexity of the international market forces companies to follow dense and changing technical rules. The usual tables are a source of data entry errors and the lack of personnel dedicated to control can lead to errors. Today, more than ever, compliance and the issue of customs reputation are drivers of sustainability. Improving global supply chain compliance requires an evolution of its practices with **the implementation of a global trade management solution.**



Thanks to its capacity for automation and permanent control, **GTM** adapts your customs activity to the regulatory context. This means that

- **Free trade agreements and classification codes are tracked, using classification** trees based on your company's products, according to internally established rules. This monitoring is done automatically and anomalies are detected. Additional modules can also be added to manage origins, value and broker management.
- All other processes are automatic, from the management of origins to customs declarations, everything is under control to follow and anticipate them.
- Checking for errors prevents incorrect or missing documents at customs and, consequently, fines and delays.
- Limiting financial and reputational risks: GTM ensures the compliance of your declarations and significantly reduces the reputational risks of your company.

When it comes to customs fees and regulatory compliance, every operation and logistical flow must be taken into account to comply with the international market and control costs. The integration of a GTM tool will therefore have an immediate and quantifiable impact on your customs budget, with a reduction of up to 50% in taxes and operational costs. At the heart of current geopolitical issues and to ensure competitiveness in an unstable international market - choosing a GTM tool is now essential.

With MyTower GTM, you can simplify the complexity of your customs operations, optimise your international competitiveness by reducing your customs costs and develop your business more steadily. All this, thanks to a complete digital solution that automates your processes, performs regulatory monitoring for you and means you can make the right decisions proactively!