

Optimization of customs duty costs



The world is a market. Import and export are part of the daily business of companies around the globe, from the importation of raw materials or components to the exportation of finished products. However, the process is complex: Every country has its own regulations to which traders must strictly adhere or face hefty fines or even worse. MIC Customs Solutions, founded in Linz, Austria in 1988, focuses exclusively on the development of global customs and trade compliance software solutions, which can be integrated into an ERP system such as Oracle, SAP or any other enterprise or legacy system for automating foreign trade processes to a large extent. It also provides project implementation services, 24/7 support, software maintenance incorporating the latest regulatory changes and global trade content services for 150+ countries, resulting in an optimum one-stop shop for global customs and trade compliance.

It is a fact that customs tariffs can be extremely costly, creating huge financial implications in sectors with high levels of cross-border trading such as the automotive industry, and companies and governments constantly seek ways to minimize the charges involved and facilitate trade for example by putting free trade agreements in place. In addition, customs procedures are highly regulated with a plethora of different demands around the world. MIC offers customs and trade compliance software solutions with multiple-country coverage and a depth of functionality which is unrivalled. "Every customs authority has its own IT system," points out Executive Vice President of Sales and Marketing Rainer Roll. "MIC is the only company worldwide that is able to provide interfaces to a big number of these systems on a single IT platform." The company's global trade management software helps multinational companies to master

the customs and compliance challenges involved in international trade, such as correct goods classification, origin calculation, regulatory compliance and export control regulations. MIC offers customs and trade compliance software in productive use in more than 48 countries on six continents around

the world either as an On-Premise or as Software-as-a-Service Solution (SaaS). Each product can be used independently or integrated into a global trade management suite of software tailored to clients' individual requirements. For example, companies which import and/or export goods must

use electronic documentation. MIC-CUST® enables automated electronic communication with the customs authorities' IT systems in many countries around the world and thus saves time and money and increases compliance. Other products include Export Control and Denied Party Screening, which deals with sanctions and embargoes, and Origin Calculation and Supplier Solicitation, which enables the precise calculation of the preferential origin of manufactured goods. "Our products support the effectiveness of free trade agreements," explains Mr. Roll. "For many companies, free trade agreements have a huge impact on their competitiveness due to being able to reduce their financial liabilities relating to customs as much as possible. MIC is an expert in this market, and our software is used by many leading conglomerates: General Motors, Ford, BMW, VW, Volvo, ZF, Nokia, Procter & Gamble, Panasonic, Philips, Siemens,



'You think about the reduction of customs duty costs? We offer the implementation of IT tools for realizing the benefits of free trade agreements!' – both important themes for multinational companies

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'You think of customs? We have solutions! MIC offers global customs and trade compliance software solutions for use in more than 48 countries on six continents around the world'



BAT, Sabic, Chemours and Coty to name a few. For the third time in a row, we were recently voted as the leading Global Trade Management software supplier to the automotive industry and are strongly growing in other industry sectors as well.” MIC has local offices in Austria, Germany, Switzerland, Belgium, the USA and Thailand with more than 265 employees dedicated to global customs and trade compliance services. A large number of the staff are certified Project Management Professionals® (PMP), experienced software analysts and developers as well as IT architects/experts or application support specialists available up to 24/7.

There are over 400 ratified trade agreements around the world which bring benefits to the regions

involved by facilitating trading opportunities and strengthening employment in those countries as well as increasing competitiveness of the companies that are taking advantage of them. To be able to realize the significant savings of customs duties and indirect taxes offered by them, compliance with the corresponding complex product specific origin determination regulations must be ensured. “The MIC Origin Calculation System (OCS) provides you with the tools to solicit and store origin data from suppliers via an innovative supplier web portal and to calculate origin for manufactured products,” Mr. Roll says. “MIC OCS today supports more than 90 FTAs in productive usage, and its flexible rules engine allows easy incorporation of new

free trade agreements as they are established.”

However, trade agreements are vulnerable to political and other factors, as evidenced by the Transatlantic Trade and Investment Partnership (TTIP), which was at an advanced negotiation stage but has now been plunged into disarray by the US election result. “It is hard to say what will happen, but uncertainty is a situation that we have to live with, and we can only look forward. Fact is that customs unions and trade agreements have a long history. More than 600 regional trade agreements are already signed, more than 400 of them have been ratified, and the trend for additional trade agree-

ments will continue in order to stimulate the growth of the global economy,” notes Mr. Roll.

With constant changes and ever-increasing complexity, MIC faces a busy future maintaining its products to meet the stringent requirements of regulatory customs compliance and export control regulations. “We update our software with two to three new countries each year, often following customers into new markets,” explains Mr. Roll. “We are aiming to add more multinational companies to our client list who, in turn, will take us into new territories. We continuously enlarge and maintain our products and services within our global trade management software portfolio. There are still countries that are not yet included, and this is a real incentive for us to continue to build and become even stronger.” A local presence in new countries is also in MIC’s sights, as is an expansion of its network in Mexico and Asia. “Globalization and digitalization are becoming increasingly important in customs and export controls,” sums up Mr. Roll. “We provide optimum customs and trade compliance software solutions to meet those requirements.”

