



*IC Solutions diligence and attention to detail has helped to recover over \$3 million in duty for our customers' Canadian Operations*

## Highlights

### The project

Interactive Custom Solutions Ltd. (IC Solutions) worked closely with a large international company to develop a process which resulted in the recovery of millions of dollars in the form of duty drawback and goods returned refunds. The use of IC Solutions' unique customs management system coupled with their strong process knowledge resulted in closing a significant gap for our customer and provided huge savings both for now and future years.

### Key Problem/ Challenges

- Significant process gap existed
- Large refund opportunities being missed
- Limited in-house resource available
- Need to maintain high level of integrity
- Timely accurate process was required

### Vision/ Project Objectives

- Fully automated using existing systems
- Cost effective, accurate and timely

### Solutions

- Fully managed solution
- Automated data for imports and exports
- Customs management database
- FIFO / chronological data match
- Semi-annual drawback and returns claims in CRA format

### Benefits Score card

SOLUTION / RESULTS	CTQ's			
	NO ADDITIONAL RESOURCE	TIMELY DUTY RECOVERY	NET BENEFIT	CRA COMPLIANCE
AUTOMATED SYSTEM	✓			
MULTIPLE CLAIMS PER YEAR		✓		
1MM + NET BENEFITS			✓	
CRA AUDIT SUCCESS				✓
NO NEW HARDWARE	✓			
<b>OVERALL RESULTS</b>	✓	✓	✓	✓

## Canadian Operation of an International Fortune 500 Company

### Company Background

The company is a component of the Home and Business Solutions segment of a large international, Fortune 500 company. They are a major importer and exporter of consumer products and has operated in Canada for over 100 years. As the company expanded globally, more and more product was being sourced from off shore affiliates resulting in ever increasing Canadian import duties. Additionally, as inventory levels fluctuated, product was redeployed in both directions across the border with the US, resulting in additional duty drawback and goods returned claim potential. The Canadian operation did not have the resources to handle this ever increasing work load, so significant cost recovery opportunities were being missed. The product is a high volume commodity that results in thousands of import and export transactions per month. The process would have required a very large manual effort to identify the transactions, produce the required documentation and generate the claims to recover the excess duty being paid.

### The Challenge

The challenge for the company was to find a way to recover the thousands of dollars of excess duty payments available every month without the need of adding additional resources. The hiring of the required number of additional staff would have made the duty recovery a marginal benefit. The CTQ's to fixing this problem were as follows:

- No additional head count
- Timely recovery of all excess duty
- Reasonable cost
- 100% compliance with CRA requirements

### The Vision

Develop a fully automated process that captures all import and export transactions both from the import / export broker's data and the internal sales and purchase data. The process would be required to verify that the values and quantities in both flows were consistent and correct. The data would then be compared for drawback and goods returned opportunities sequenced in a FIFO ( First-In / First-Out) chronological order. The final step would result in a summary of the claimable items being produced in a form suitable for claiming a refund from CRA. All of this to happen with no additional resources.

# Duty Cost Recovery Success Story



## The Solution

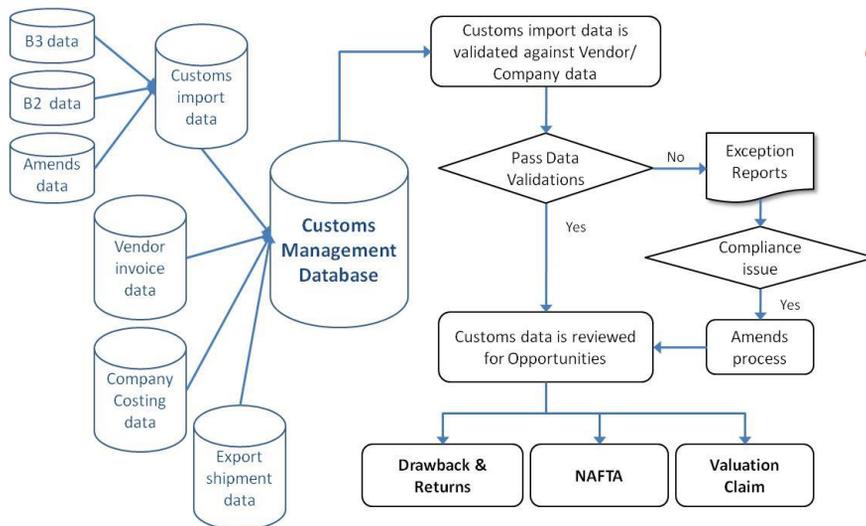
IC Solutions was contracted to work with the International Trade Controls Manager and the local finance team to design and implement a system to achieve the customers CTQ's and vision. IC Solutions was able to map both the broker data and the internal transactions to its duty management system without the need of any additional hardware or systems.

**IC Solutions did a great job managing the project, working closely with the finance team, IT resources and customs brokers to overcome complex and unique data challenges**

IC Solutions provided a full turnkey solution and managed all aspects from data gathering and storage, through to submission, recovering payment and audit support. As part of the process, additional validations were built in to highlight potential data and compliance issues with transactions. These validations provided useful feedback to the company's customs operations. Previous refunds and amendments were also incorporated to ensure that claims were fully compliant to CRA.

The initial claims were able to go back 4 years and recover the previous duties paid. An ongoing process was established for semi-annual claims. The system was adaptable to a change in the import Customs broker and their new data format. When the change occurred, the new brokers data was mapped to the system and provided a seamless transition.

**Our solution minimizes the amount of work involved and delivers a low risk approach to saving money**



## Key system Features

Features of the Customs Management System:

- Chronologically matches import and export transactions for drawback or Canadian goods returned
- Identifies NAFTA potential
- Customizable to provide unique customer validations
- Provides history for each customs transaction (whether claimed for NAFTA, Drawback, etc.)
- Standardized Data and report formats
- Flat file interface with any broker's data output format
- High Capacity
- Fast
- Produces FIFO (First in first out matches)
- Flexible 4 year window
- Inexpensive to operate.

**IC Solutions' helped to recover more than originally estimated**

## The Results

The company has successfully collected over \$3 million in duty recovered as a direct result of the work done by IC Solutions. The process developed by IC Solutions for identifying drawback and goods returned opportunities can be used to recover future duties as well in a timely and accurate fashion with no additional resources. Additional opportunities have also surfaced as a result of the overall data collection inherent in the process. The company is now able to clearly identify the accuracy of their vendor billing, they can better ensure data accuracy on the customs documents and can track missed opportunities from use of NAFTA certification.

**Our team's extensive business process knowledge, information technology skills and understanding of the government's reporting requirements were extremely valuable**