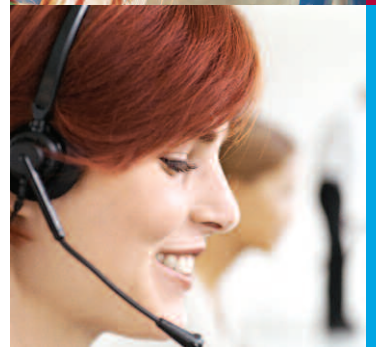


# White Paper:

How to build a great compliance program for your U.S. imports.  
And why you should.



# We are *the* customs and compliance experts.

## *Customs Brokerage*

North America's most innovative and knowledgeable customs broker. Livingston offers a full suite of advanced technology solutions to help clients manage their imports and compliance.

## *Consulting*

The largest, most focused customs consulting practice in North America. Livingston's customs, legal and financial experts help companies implement compliance programs, meet audit requirements, recover duties and taxes.

## *Integrated Logistics*

Delivering strategic integrated logistics solutions to Fortune 500 companies. Livingston rethinks and reinvents supply chains to reduce costs by minimizing inventory, streamlining order fulfillment and optimizing distribution.

## *Freight*

Moving freight seamlessly within North America and around the world. Livingston arranges efficient transportation by air, sea, rail, truck or intermodal, from point of origin through to final destination.

## *Event Logistics*

Bringing personalized high-touch services to conventions, trade shows and other special events. Livingston arranges specialized transportation and customs clearance services for time-sensitive materials.

## *Managed Services*

Managing business services so companies can focus on their core competencies. Livingston brings efficiencies by designing and delivering administrative, contact center and document management services.

# How to build a great compliance program for your U.S. imports. And why you should.

“Better information means better risk management. And better risk management leads to both enhanced security and enhanced facilitation of legitimate trade.”

*W. Ralph Basham  
Commissioner  
U.S. Customs and Border Protection*

## Introduction of compliance-related Customs programs since 9/11

Office of Homeland Security established  
Customs Trade Partnership Against Terrorism (C-TPAT)  
FDA Bioterrorism Act  
Free and Secure Trade (FAST)  
FDA Prior Notice  
Advance Electronic Cargo Information  
ACE Secure Data Portal  
Full classification and ultimate consignee  
ACE eManifest for trucks

## Current focus for U.S. Customs and Border Protection

Office of International Trade  
Advance Information 10 + 2  
Technology advancements  
Secure international freight  
ACE and International Trade Data System

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# Executive Summary

As the importer of record for goods coming into the United States, your company is legally responsible for:

- Providing correct classification and value for imported goods
- Maintaining and producing records
- Understanding your obligations and demonstrating reasonable care in carrying them out

As a priority, most companies simply want to:

**1. Maintain the flow of imported goods without delays.** Customs continues to introduce regulatory requirements and new programs such as C-TPAT that institutionalize security into your supply chain. In order to respond to regulatory changes, be included in new programs, and enjoy problem-free trade, a sound compliance program is a must.

**2. Avoid painful repercussions of an audit if not compliant.** Customs has expanded its audit focus beyond large companies with higher transactional volumes. They are clearly stating that every importer will be audited. The results of an audit can include recommendations, repayment of duties, and escalating penalties for non-compliance. Companies that gain much of their revenue from their trading practices can't afford the large penalties nor the loss of trade privileges. An excellent compliance program manages the risks.

Building a great compliance program not only meets the importer's legal obligations but also:

- Creates efficiencies in your supply chain
- Mitigates the financial risks and penalties of non-compliance
- Helps public companies meet the requirements of the Sarbanes-Oxley Act (SOX)
- Helps identify cost-management and revenue-recovery opportunities
- Gives you a known positive profile with Customs that helps facilitate your trade activities
- Gives you access to new Customs programs ahead of other importers
- Keeps your goods moving and your customers satisfied.

The ten steps to building a great compliance program are outlined in this paper and are offered as a guideline for companies wanting to test their existing program or make improvements. Depending on size and resource, some companies may choose to outsource certain functions of their compliance program.

Developing a great compliance program is possible only with the commitment of senior management. Management provides the resources needed to build a great program that has the flexibility to evolve along with changing requirements. A company that commits to good compliance involves every employee, internal department, and external supplier or partner that touches the procurement to payment cycle of their goods.

As Customs authorities continue to focus on security and compliance, the onus on importers to step up to the changes, obligations and programs will only increase. An excellent compliance program is critical for any business that wants to continue to trade in the international arena.

# Introduction

## Compliance – the good, the bad, and the ugly

For the importer of record, compliance means the complete and accurate recording of all internal processes through books and records from procurement to payment.

Compliance means following Customs laws and regulations on both imports and exports. Good compliance facilitates trade at the border. For government, it ensures security through quality trade data, the proper collection of duties and taxes, the proper application of preferential treatment, and the protection of target industries (e.g., textiles). For the importer, it prevents supply chain bottlenecks, costly production downtime, and errors that can result in expensive penalties.

### Benefits of good compliance

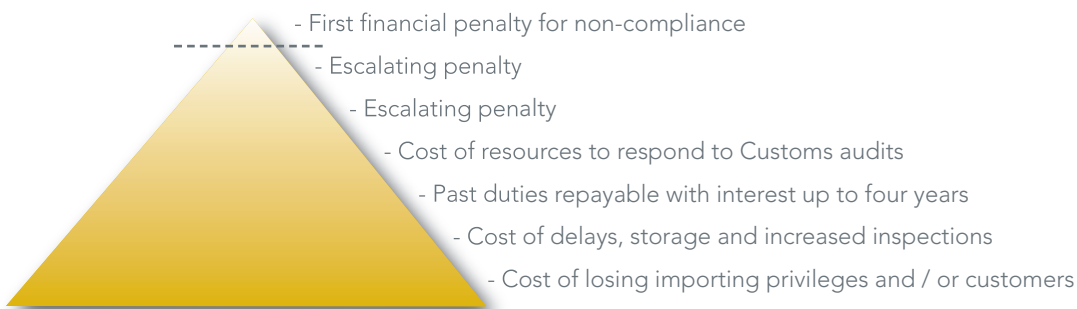
- Known positive profile with Customs
- Access to Customs programs and future program enhancements
- Minimal Customs inspections and delays
- Successful Customs audits
- Lower risk of financial penalties
- Less post-entry activity
- Continued flow of goods to customers

### Impact of poor compliance

- Known negative profile with Customs
- Exclusion from Customs programs
- Increased Customs inspections
- Unsuccessful audits plus follow-up audits
- High risk for significant penalties
- Slower release times
- Border delays and / or storage fees
- Impact of delays on customers and company revenue

### The cost of poor compliance practices

Receiving a financial penalty for non-compliance can be costly. However, it may be only the tip of the iceberg if poor compliance practices are not addressed and corrected. Costs can add up quickly and result in a serious impact to your business.



# Step 1

## Define your compliance goals and costs

Compliance is not a one-time event. It is an ongoing process that requires commitment and resources.

There can be many barriers to moving your organization from non-compliant to compliant including, the time commitment to correct data; lack of or poor quality data; insufficient systems and processes; lack of internal expertise about free trade and regulatory requirements; limited resources; and, too frequently, a lack of management commitment. However, regulatory obligations and increasing scrutiny by Customs makes it a high-risk choice to be anything but proactive about compliance.

Businesses that make the commitment for on-going excellence in compliance understand the benefits associated with a positive relationship with Customs authorities. They understand that good compliance supports their business goals.

### Business goals may include

Tighter alignment between business policies and regulations

Results of compliance project will help build a better business

Enhanced ability to manage business risks

### Resulting business benefits

#### Process benefits

- Better visibility of the import process which leads to opportunities such as improve costs, better controls and fewer resources required
- Reduced border inspections and border clearance times
- Improve management of service providers and therefore reduce transportation costs
- Improve efficiency by automating manual tasks
- Eliminate the need to transmit data for each transaction

#### Cost reduction and revenue recovery

- Fewer border delays results in lower transport and inventory costs
- Potentially lower duty payments through correct use of applicable free trade agreements (FTAs)
- Duty drawback and tax-recovery opportunities are more visible
- Sourcing from countries with free trade agreements

#### Cost avoidance

- Penalties, fines and interest costs related to non-compliance
- Professional fees relating to non-compliance
- Management time spent reacting to non-compliance and customs audit preparation
- Overpayment of duties and taxes

## Improved accountability

## Corporate Governance

- Compliance meets governance and Sarbanes-Oxley Act (SOX) requirements
- Protect company name and reputation (avoid loss of revenue)
- Facilitate cross-border trade
- Develop policies and procedures that set common, uniform goals
- Demonstrate management commitment to customs compliance

Once a company has defined its business goals and the benefits that compliance will bring, it needs to define the investment that will be required to meet the commitment. Some costs may seem significant at the onset but can bring significant long-term benefits. For example, an investment in automation brings greater controls, efficiency and cost savings in many ways.

### Costs to consider

- Project planning
- Process implementation
- Regular audit cycle
- Hardware and software
- Staff training
- Continuous operations and maintenance

# Step 2

## Gain management's commitment

The commitment of senior management is critical to a successful compliance program. Management's understanding of both the benefits of great compliance and, conversely, the implications of risk associated with non-compliance will affect every department of an organization.

In the fallout from corporate mismanagement by large companies such as Enron and WorldCom, the move to greater corporate governance and accountability has become an imperative for the business community. In addition to their shareholders' interests, public companies in particular are now bound by obligations of the Sarbanes-Oxley Act. SOX and other internal control standards, such as those set by the Committee of Sponsoring Organizations (COSO), raise the accountability of every manager and functional area that manages cost reporting or is responsible for areas at risk of audit and financial penalty.

While the evolving business environment clearly endorses sound customs compliance practices, many customs managers find themselves in a position of having to convince their senior management of the importance of a compliance commitment. The potential cost of penalties alone can motivate the investment in compliance, but most senior decision makers will want to consider a clear business case:

## Building a business case

### Describe the current state

- What is the current state of your trade compliance?
- What are the gaps?
- What are the risks of non-compliance (fines, operational constraints, damage to the company's reputation, etc.)
- Get perspectives from all involved (supply chain, finance, transportation, purchasing, etc.)

### Describe the project scope

- Describe the material gaps in detail and how the project will address them.

### Itemize the desired results

- What business results are you hoping to achieve?
- How will going from non-compliant to compliant help the business?

### Highlight the financial opportunities

- How much can moving to sound compliance practices help you recognize opportunities and gain from drawbacks, duty management, FTAs and Free Trade Zones (FTZs)?

### Summarize the economic benefits

- What are the financial gains of an efficient compliance program with streamlined processes?
- What is the value of avoided risk and penalties?
- Work out the ROI 
$$\text{ROI} = \frac{\text{total benefits} - \text{total costs}}{\text{total costs}}$$

# Step 3

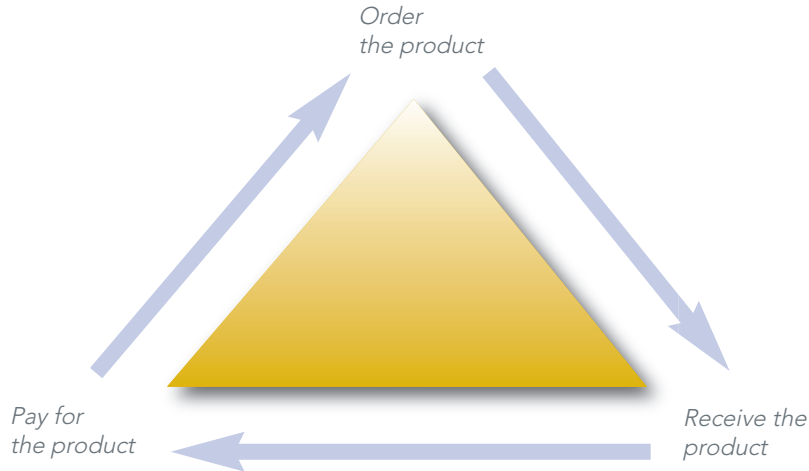
## Create a compliance group

Your compliance group is not just your customs department. It's much more.

To be compliant, you need to be proactive, not reactive. And to be truly proactive, you need to engage the other departments in your company. They need to understand how their actions and activities will impact compliance. Let's look at a simple example: the shipping department receives ten widgets instead of the twelve widgets that were on the purchase order. Shipping may notify the accounts payable department to short-pay the invoice, but they might not think of contacting the customs department to adjust the customs paperwork. You are no longer compliant and your risk level is increasing.

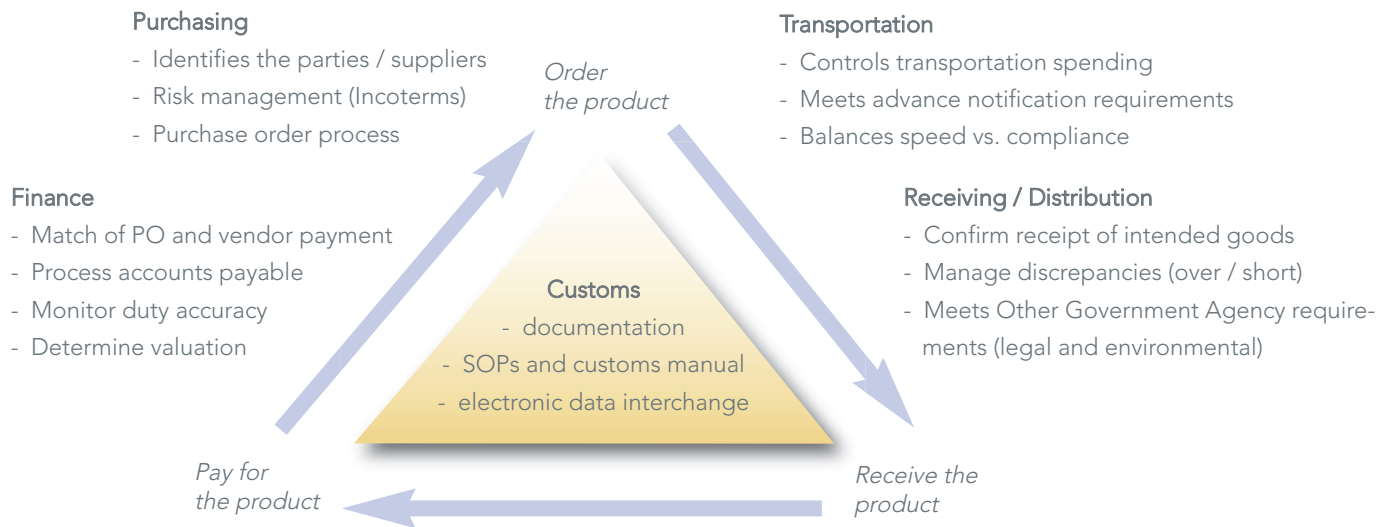
## Procurement to payment process

The P2P process must ensure that the product, value and quantity are reported accurately. As your company contracts for materials or goods, receives them and makes payment, the associated documentation touches several departments and systems. Many departments of your company are part of the P2P process for your imports.



## Key departments that affect customs compliance

Several departments performing their regular functions can influence your level of customs compliance and should therefore be stakeholders in your compliance group.



Your compliance group will need to understand the company's objectives and goals for security and compliance, and engage each department that contributes to compliance in the P2P cycle to support those objectives. The compliance group will establish control activities and self-testing processes of internal control systems. It will keep the communications flowing within the company so that departments can adjust to both external changes (e.g., new regulations) and internal changes (e.g., new products).

# Step 4

## Establish training programs

It is important to establish an ongoing training program for all staff who have an impact on importing or exporting activities.

It is not only the staff in the import, export, or customs department who should have regular training. All functional areas that touch the P2P process should have training for trade awareness. Compliance measures and industry trends continue to evolve, regulations change, and new programs are introduced. Training is an opportunity to not only stay abreast of the latest requirements, but also learn about best practices that can help to address those changes.

More benefits of staff training include:

- Helps personnel understand their roles and responsibilities regarding compliance and how that fits into the company's objectives
- Develops an understanding of the formal approach to procedures and process
- Creates uniformity, conformity, efficiency and accuracy
- Addresses staff changes and staff development
- Training across functional roles will ensure that work continues in all circumstances
- Provides additional "eyes and ears" for compliance issues as well as opportunities

In order for your compliance staff to be effective in their roles, they need to be properly trained. Establish an ongoing budget should be established for training that can be internal, external or both. Having the internal communication vehicles to disseminate current information on a regular basis also supports your training efforts. The investment in developing knowledgeable people and keeping their abilities current is a worthwhile one to minimize risk and remain compliant as your business and the customs industry evolves.

### Training can take many forms

- External training seminars and webinars
- In-house and customized training
- Customs conferences and workshops
- Formal long-term courses
- Informal lunch-and-learn information sessions
- Intranet, newsletters and electronic updates

# Step 5

## Develop formal policies and SOPs

Internal process documents and standard operating procedures (SOPs) are critical for internal compliance staff. They help to set and maintain the standards for compliance throughout your entire organization.

Probably the most important document to develop and keep updated is your customs manual. This manual will fully document all aspects of your compliance program. It should be customized to your company and environment. A comprehensive and updated manual will help you meet your compliance obligations, and manage your risk and liability.

Company overview	Internal processes	Customs programs	Reference materials
<ul style="list-style-type: none"><li>- Profile of company and all products</li><li>- Trading partners and countries</li><li>- Organization structure of company</li><li>- Annual reports</li><li>- IT and Enterprise Resource Planning system overviews</li></ul>	<ul style="list-style-type: none"><li>- Purchasing</li><li>- Receiving</li><li>- Accounts payable</li><li>- P2P cycle and audit</li></ul>	<ul style="list-style-type: none"><li>- Valuation</li><li>- HTS classification</li><li>- Origin / FTAs certification</li><li>- Customs entry audit</li></ul>	<ul style="list-style-type: none"><li>- Locations</li><li>- Contact information</li><li>- Customs rulings</li><li>- Correspondence</li><li>- Internal audit results</li><li>- External audit reports</li></ul>

Developing, documenting and implementing your supply chain policies and procedures will ensure that everyone who has a role in your compliance program will be working within the same framework and understanding. For public companies, these documents also support the internal control requirements for SOX. Formal policies and SOPs should also be modified on an ongoing basis to align with changing regulatory requirements and corporate objectives.

*“When Customs comes in to do an audit, the first thing they will ask is to see your customs manual. And it better be up to date.”*

*Cora Di Pietro  
Vice President and General Manager  
Livingston Consulting*

# Step 6

## Stay informed of new regulations

Customs laws and regulations are constantly changing and being modified. Those changes may impact your practices, procedures and compliance level.

All countries are influenced by political concerns about security in their global trading networks and therefore continue to introduce new initiatives. In addition, new free trade agreements between individual countries continue to be introduced. It's very important to know of changes within the industry in order to take advantage of preferential duty tariffs; avoid becoming inadvertently non-compliant with newly introduced regulations or tariff changes; and, participate in new Customs programs for seamless delivery and a competitive advantage.

To stay informed of government initiatives in your country and others:

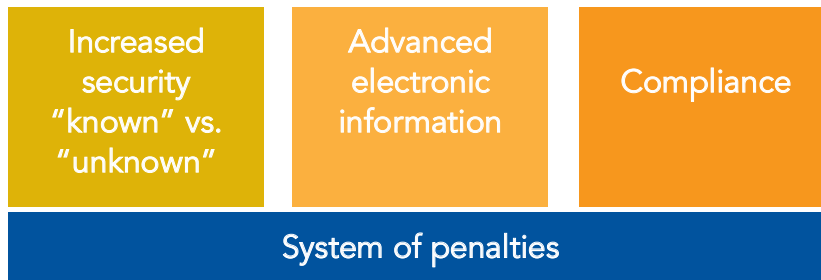
- Attend external seminars and conferences given by industry experts
- Understand how to access up-to-date trade information, e.g., customs trade journals, newsletters, websites, associations, etc.
- Work with your broker and leverage its expertise to understand what new legislation will mean to you and how you should respond to it
- Collaborate with Customs to ensure your efforts and investments remain aligned with government expectations

**2006**

Value of U.S. imports: \$1,861,380,000,000

Value of U.S. exports: \$1,023,109,000,000

Customs initiatives are focused on



# Step 7

## Communicate with stakeholders and suppliers

Communications must be open and ongoing. Avoid risk and liability by ensuring that everyone understands the same requirements at the same time.

The activities of your entire supply chain can impact your compliance – from your suppliers providing Certificates of Origin through to your carrier companies loading your goods with other companies' goods for border crossing. As the importer of record, you are ultimately accountable for the accuracy of information provided to Customs and for ensuring compliance with Customs regulations.

In addition to educating internal stakeholders about compliance through a compliance group, SOPs and training, also ensure that external partners understand the requirements. With the advent of programs such as C-TPAT, customs authorities continue to push compliance and security responsibilities down the supply chain. All partners – vendors, suppliers, customers and carriers – contribute to compliance but it is the importer of record that is accountable.

### Provide discipline and structure to your third party associates

- Communicate your company's philosophy and approach regarding international trade.
- Establish formal SOPs (compliance requirements) and metrics to clearly outline your expectations.
- Develop contract language on purchase agreements and include a purchase protection clause (see box below).
- Work together to develop controls that will ensure transactions are valid and accurate.
- Meet on a regular basis to evaluate procedures and address issues.

#### **A purchase protection clause in your purchase order or agreement with a supplier may include the following statements:**

- Exporter will cooperate with customs if information is requested.
- Exporter will provide valid Certificate of Origin for goods.
- Exporter will provide reimbursement to you for any costs associated with invalid documentation, including additional duties paid and applicable interest and penalties.

# Step 8

## Commit to audits

When you commit to auditing – whether it’s a post-entry process or regular self-audits – as part of your compliance program, you exercise reasonable care and due diligence. Auditing is a critical component of testing your compliance level. By uncovering gaps and correcting errors, you manage your risk and liabilities.

### Self-audit

Establish a process to self-audit your trading activities on a regular basis. Use an internal audit team or, where lacking expertise, an external service provider. Your self-audit should be performed at least annually. Depending on changes in rules and regulations by customs authorities, you may require a mid-year audit. Changes in your organization or the introduction of new products or partners may also warrant the initiation of an audit.

Determine an appropriate sample size for your review. The size of your audit sample is based on a number of criteria and should take into consideration the size (number of transactions and value for duty) of your imports, duty avoidance by way of free trade agreements, duty rates, etc.

Your audit should address more than your paperwork. It should look at:

- **The P2P cycle and linkages** - Through your systems, can you track a shipment from purchase order to receipt and payment?
- **Your business controls** - Include the control environment, risk assessment, control activities, information and communication, and monitoring.
- **Key program areas** - Include tariff classification, tariff treatment, origin and evaluation, and supporting documentation.
- **Your customs manual** - Does it document all of the above? Is it up to date? Does it factor in changes in company structure and changes in procedures?

#### Sarbanes-Oxley Act

SOX imposes significant reporting obligations for publicly-held companies. It created two categories for companies engaged in international trade:

- Financial Reporting Controls
- Legal Compliance Controls

Any non-compliance issues that arise as a result of your audit must be addressed and corrected. Advising Customs of corrections through voluntary disclosures will help you avoid penalties.

### Pre-entry audit process

Take advantage of automation and put in place the systems to flag inaccuracies or highlight issues prior to entry and clearance.

### Post-entry audit process

While it is currently not a common practice, every company should have a post-entry process. An internal or external audit will examine a sampling of your transactions, but won’t capture everything. A post-entry process will ensure that you review every entry for non-compliance and correct it as quickly as possible. In addition to meeting your legal obligations and mitigating your risk, a correction or voluntary disclosure also demonstrates that you are exercising reasonable care and due diligence in your practices.

## Customs audit

Customs authorities on both sides of the largest border in the world, the U.S.–Canada border, are publicly saying that eventually, every importer will be audited. In both the United States and Canada, Customs authorities are changing their approach to audits in that they:

- Are increasing the number of audits they conduct
- Are increasing the use of penalties
- Have introduced smaller, more targeted, and single program audits in addition to their full and comprehensive audit process
- Are focusing on smaller importers that have fewer resources to invest in sound compliance programs, controls and the people to manage them
- Are returning to conduct a secondary audit 12 to 18 months after an initial audit to confirm that recommended changes have been implemented.

*“Every importer will be audited.”*

*Customs and Border Protection (CBP)*

In 2004, CBP conducted over 60,000 trade compliance exams. It currently performs a full Focused Assessment Audit and has recently introduced Quick Response Audits.

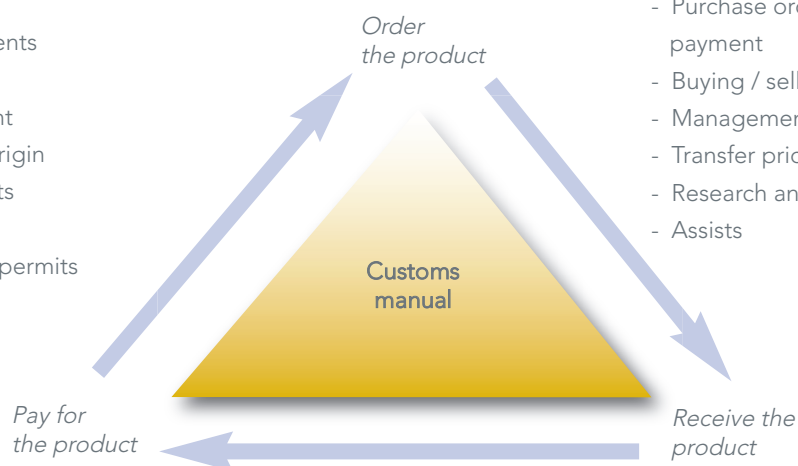
The results of a customs audit can include recommendations, duty adjustments going back up to four years, and financial penalties. Penalties are graduated and match the severity and frequency of the contravention.

## Be prepared for a Customs audit

- Keep your customs manual accurate and current. It's the first thing Customs will want to see.
- Review your compliance process to confirm that you have appropriate systems and controls in place.
- Ensure that there are process and system linkages through each department.
- Can you tie all of your documentation through the P2P cycle?
- Check your financial linkages and ensure that all financial statements and agreements are accessible.
- Ensure you have documented methodology for your HTS classification supported by previous rulings, third-party opinions, specification sheets or samples.
- If you're claiming NAFTA or any other FTA, test a few of your typical transactions. Verify that the information (classification, valuation, country of origin) is correct and that you can retrieve all of the associated records to support your claim.
- If you have already been audited, ensure that recommended changes have been implemented. Address outstanding issues such as binding rulings, protests and petitions, duty relief claims, and voluntary disclosures.
- Consider a third-party audit to gauge your compliance level and identify gaps, before Customs does.

### Check documentation links

- Purchase orders
- Release documents
- Bills of lading
- Proof of payment
- Certificates of origin
- Receiving reports
- Supplier reports
- Import / export permits



### Check financial links

- Purchase order through to vendor payment
- Buying / selling commissions
- Management / royalty fees
- Transfer pricing agreements
- Research and development costs
- Assists

### Check department links

- Purchasing
- Transportation
- Customs
- Receiving / distribution
- Finance

# Step 9

## Ensure complete record keeping

It is a legal requirement to maintain records. Establishing and maintaining a record-keeping system that forms an audit trail through your P2P process contributes to your compliance. You must also be able to retrieve those documents in a timely manner.

As the importer of record, you are required to maintain your books and records for each transaction for a number of years. If you are acting as the importer of record in another country, then you need to abide by that country's Customs rules. For example, you must maintain your documentation for five years in the United States, but six years are required for importers of record in Canada.

Maintenance of records can be done in either of two ways. Electronic record keeping through imaging technology is acceptable as an alternate to hard-copy files. Involve your IT department to ensure your company's electronic data and systems have proper backups. You may also outsource your record keeping to a trade partner such as your customs broker. A complete list of documents required in the United States, known as the (a)(1)(A) list from Treasury Directive 96-1, is available online.

### Retrieval of documents on demand

U.S. Customs authorities have moved away from allowing importers time to produce or find a requested Certificate of Origin. More frequently, failure to produce the documents upon request is leading to an immediate penalty of \$10,000 per infraction for non-compliance and up to \$100,000 per infraction for fraud.

*When requested by Customs, Ford Motor Co. was recently unable to produce manufacturing records from an unrelated foreign supplier for claims it made under NAFTA. Ford fought the \$42 million record keeping penalty in U.S. court and were successful, but at the expense of time and resources.*

The location(s) of your records should be carefully documented in your customs manual. For publicly traded companies, this is also a strict requirement under SOX. Consider and address potential gaps in your record keeping. For example, staff changes frequently result in lost records. In addition, your service providers and suppliers will often have the records you need, so advise them of the requirements and ensure that they are able to meet them.

# Step 10

## Build in security measures

Countries need to ensure that their borders are secure and that cargo entering is free from terrorist threat and illegal activities.

In addition to creating an effective compliance program that supports the financial integrity of your business, companies must also invest in security. All businesses need to be aware of the risk of transforming common items into tools for terrorism. This threat is not focused on specific commodities and can extend to seemingly innocuous materials. For example, commodities such as food and drugs can easily be contaminated. Companies need to pay close attention to who manufactures the materials, packs, ships, and handles their merchandise throughout their entire supply chain.

### On a typical day, U.S. Customs

- Processes 79,107 shipments of goods approved for entry
- Seizes \$329,119 worth of fraudulent commercial merchandise at ports of entry

The importance of security must be communicated to all trading partners in your supply chain. Programs such as C-TPAT institutionalize security into your overall compliance program. And while programs such as this are still voluntary, they will likely evolve to be mandatory. Participating in C-TPAT certification allows you to highlight vulnerabilities in your own supply chain, but also may result in identifying opportunities that can streamline your process.

It is recommended that a single individual drive and oversee security initiatives for your company. The commitment and responsibility begins with senior management, but the message has to flow through to every employee at every level.

*“Carrying out our extraordinarily important mission entails not only improving security at and between our ports of entry along with the entire length of our land and maritime borders, but also extending our zone of security beyond our physical borders.”*

*W. Ralph Basham  
Commissioner  
U.S. Customs and Border Protection*

# Conclusion

## Pulling it together

These steps to a great compliance program are offered as key building blocks to meet your regulatory and legal trade obligations. And while all businesses are expected to meet requirements regardless of size, how they go about it can vary considerably.

The size of an organization will determine whether or not it can support an internal customs department. Available resources often dictate whether a business meets its obligations with a large customs department or with minimal internal support. While regulations clearly need to be met, each company has its own specific set of circumstances and should take the time to analyze the pros and cons of retaining versus outsourcing each component of the compliance function.

### **Responsibilities of the Importer or Record**

The U.S. Customs Modernization Act (passed in 1996) redefined the responsibilities between Customs and the Importer of Record, requiring "shared responsibility". The Importer of Record is legally responsible to

- provide correct classification and value for imported goods
- maintain and produce records
- understand your obligations and demonstrate reasonable care in carrying them out

Internal efforts may include building a business case and accessing executives for needed resources. In addition:

- Leverage industry expertise and build true partnerships with your service providers to supplement your compliance efforts.
- Use a third-party customs expert to assess analyze your trade activity.
- Use technology to build efficiencies and help manage your compliance program.

Most companies choose to outsource many or most of their customs functions in order to focus on their core competencies and industry. They rely on experts and service providers to help them meet their obligations and manage the risks. While the benefits of this approach are clear, any business acting as the importer of record remains ultimately accountable.

# Checklist

Respond to the following statements to gauge where your company stands with respect to a great compliance program. For statements where you score yourself “somewhat” or “no,” take the time to review and address potential gaps in your compliance program.

	Yes	Somewhat	No
We have clearly defined goals to achieve good compliance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Management has committed the resources required for good compliance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We have a compliance group, not just a customs department.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other departments understand how they contribute to compliance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Any shipment can be tracked through the P2P cycle by a unique identifier.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We have regular training to support our compliance efforts.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We have internal standard operating procedures (SOPs).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We have SOPs for our suppliers and service providers.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We adjust our SOPs and update our processes, as required.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We have an up-to-date customs manual.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We monitor regulatory changes and communicate them internally.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We use technology (e.g., EDI, imaging, online compliance documents).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We regularly self-audit to test our compliance and documentation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We verify the information (e.g., origin, HTS) supporting our NAFTA or FTA claims.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our HTS methodology is documented for existing and new products.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We have an established post-entry process.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We have addressed outstanding issues from previous customs audits.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We have a record-keeping process and can pull documents on demand.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We have addressed security in our supply chain (e.g., C-TPAT).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We outsource for expertise or to assess our compliance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Livingston Consulting** is one of the largest and the most focused customs consulting practices in North America. Livingston's customs, legal and financial experts help companies implement compliance programs, meet audit requirements, recover duties and taxes, and manage border security.

**Customs compliance**

- Customs reviews
- Customs audit assistance
- Process and internal control design
- Post-entry audit
- Staffing and management services

**International trade agreements**

- Certificate of origin supplier solicitation
- Origin certification
- Free trade program compliance reviews
- Customized training

**Duty and tax recovery**

- Duty drawback
- Duty recovery
- Commodity tax recovery
- Canadian GST service for non-residents

**Technical assistance**

- Valuation services
- Tariff classification services
- Voluntary disclosures
- Customized training

**Supply chain security**

- Security program application (C-TPAT and PIP)
- C-TPAT supplier validation

For more information about our services or how we can help:  
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Over 30,000 companies trust us with their customs brokerage, consulting, freight and integrated logistics needs.

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