



Global intercompany IT solutions in Foreign Trade

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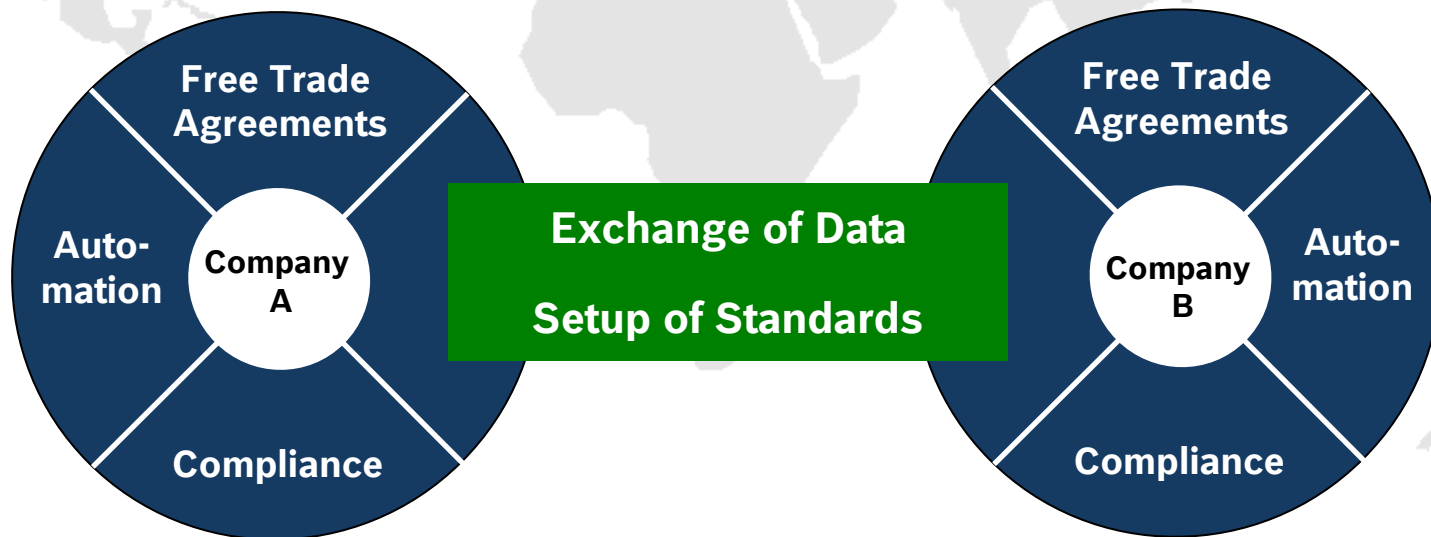


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Project Global Trade Data

Review

- February 2009: Initiated by Bosch, a group of customs managers from OEM (Ford, BMW, Audi, VW, Daimler, etc) and automotive suppliers (Bosch, ZF, etc) started discussion about possibilities for intercompany collaboration in Foreign Trade.



Project Global Trade Data

Status

→ Mai 2010: Bosch, ABB, Schenker, SW Zoll and ZF contracted SupplyOn to realize a platform for the electronic exchange of foreign trade data.

Scope:

1. Logistics data for ICS (Import Control System)
2. Material Master Data (commodity codes, classification data, etc.)
3. Preferential Data (supplier declarations)

→ June 2010: Start of realization



Project Global Trade Data

Scope

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The EU's new import control system – creating supply chain chaos

The EU's drive to create a single customs union for all its 27 member states has created headaches for importers. The latest is the introduction of the Import Control System (ICS), which requires the provision of advanced shipment information to customs authorities.

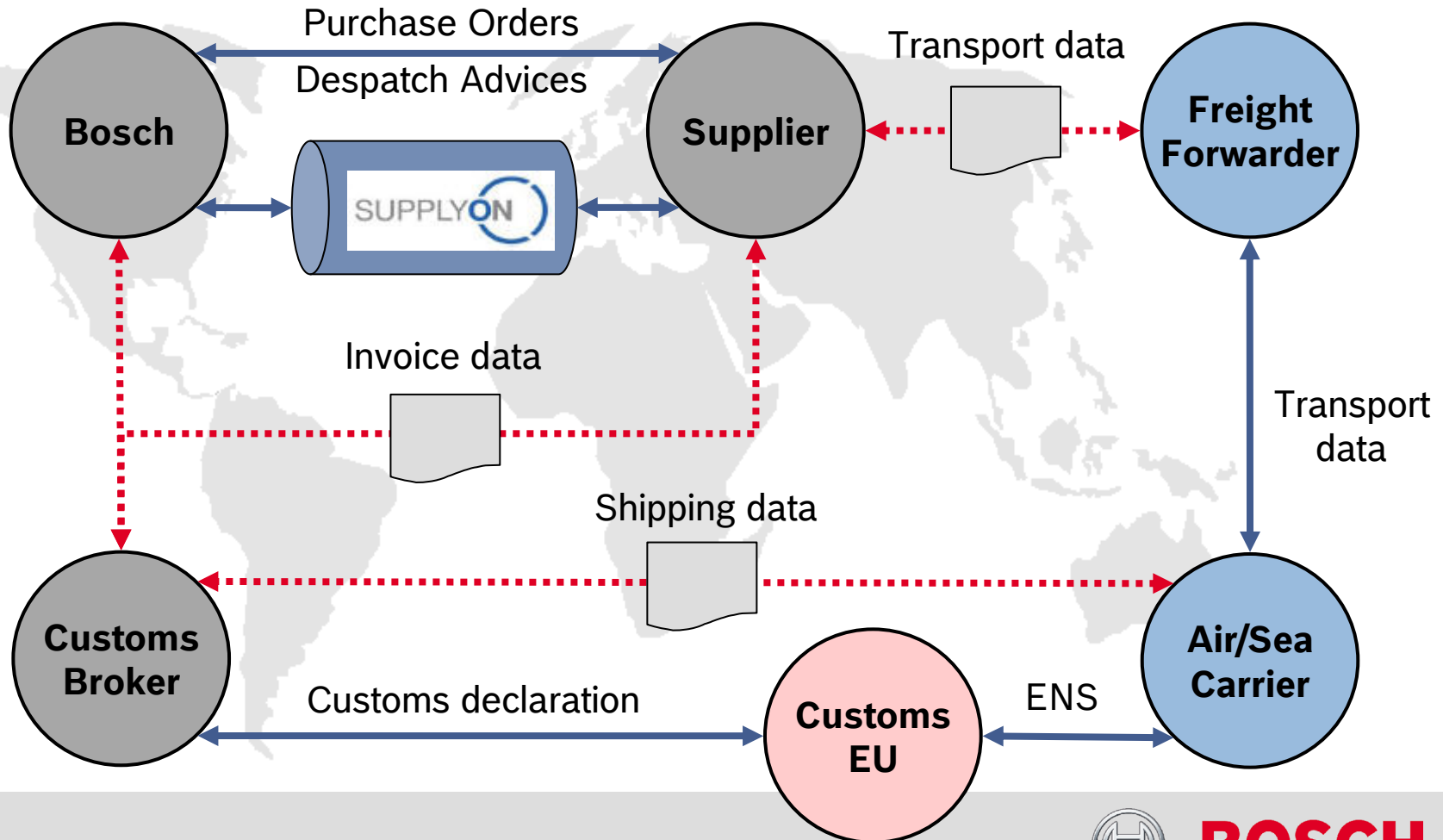
Similar to the US 10+2 supply chain security initiative, ICS aims to communicate critical shipment data to customs before the shipment reaches the EU, and thereby enable their ability to assess any risks it may pose.

*Effective January 1, 2011, ICS places the burden of supplying advanced shipment information squarely on the shoulders of carriers. **However, importers and exporters aren't completely off the hook; they must provide accurate information on a timely basis to their carriers or goods could be held up indefinitely by customs authorities.***



Information driving the supply Chain

↔ Electronically
↔ Manually, paper

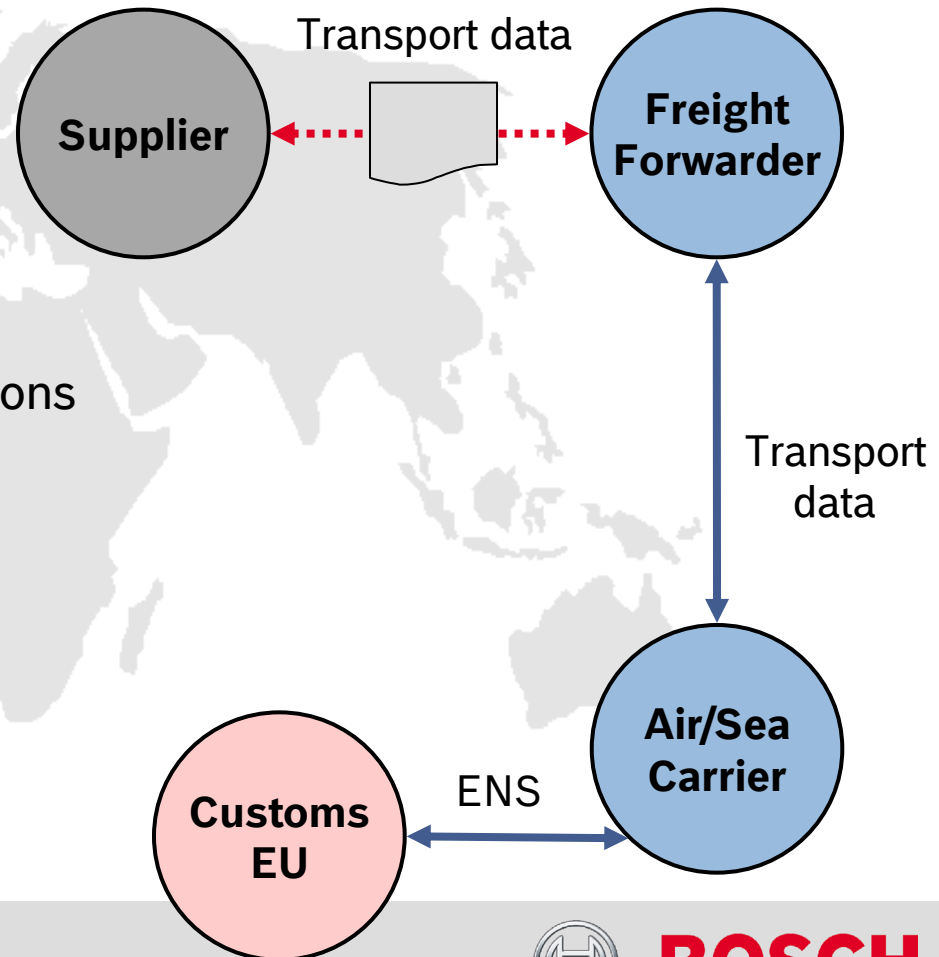


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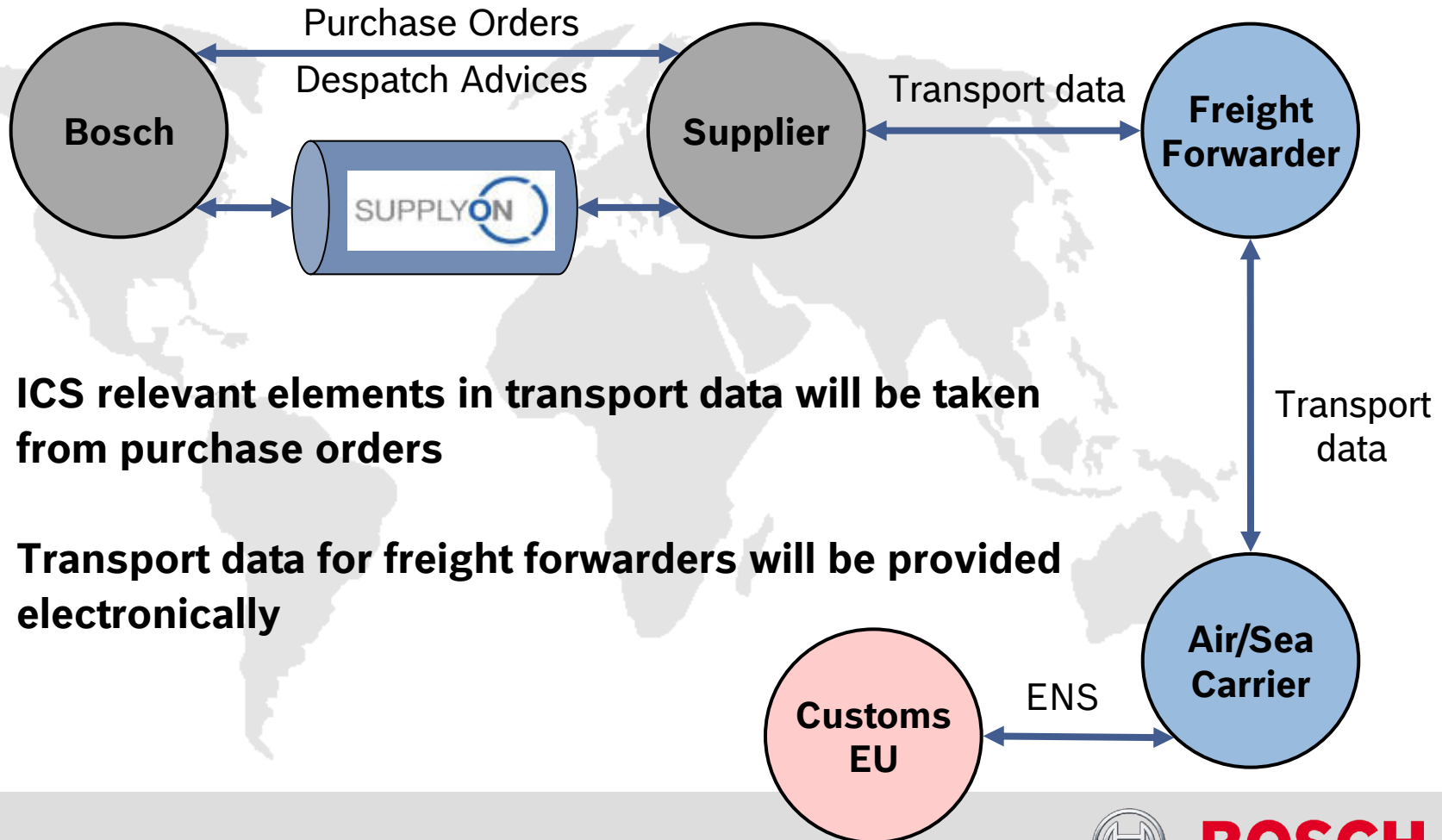
Challenges for all stakeholders of ICS filing

Quality of information provided by supplier drives quality and compliance of ENS

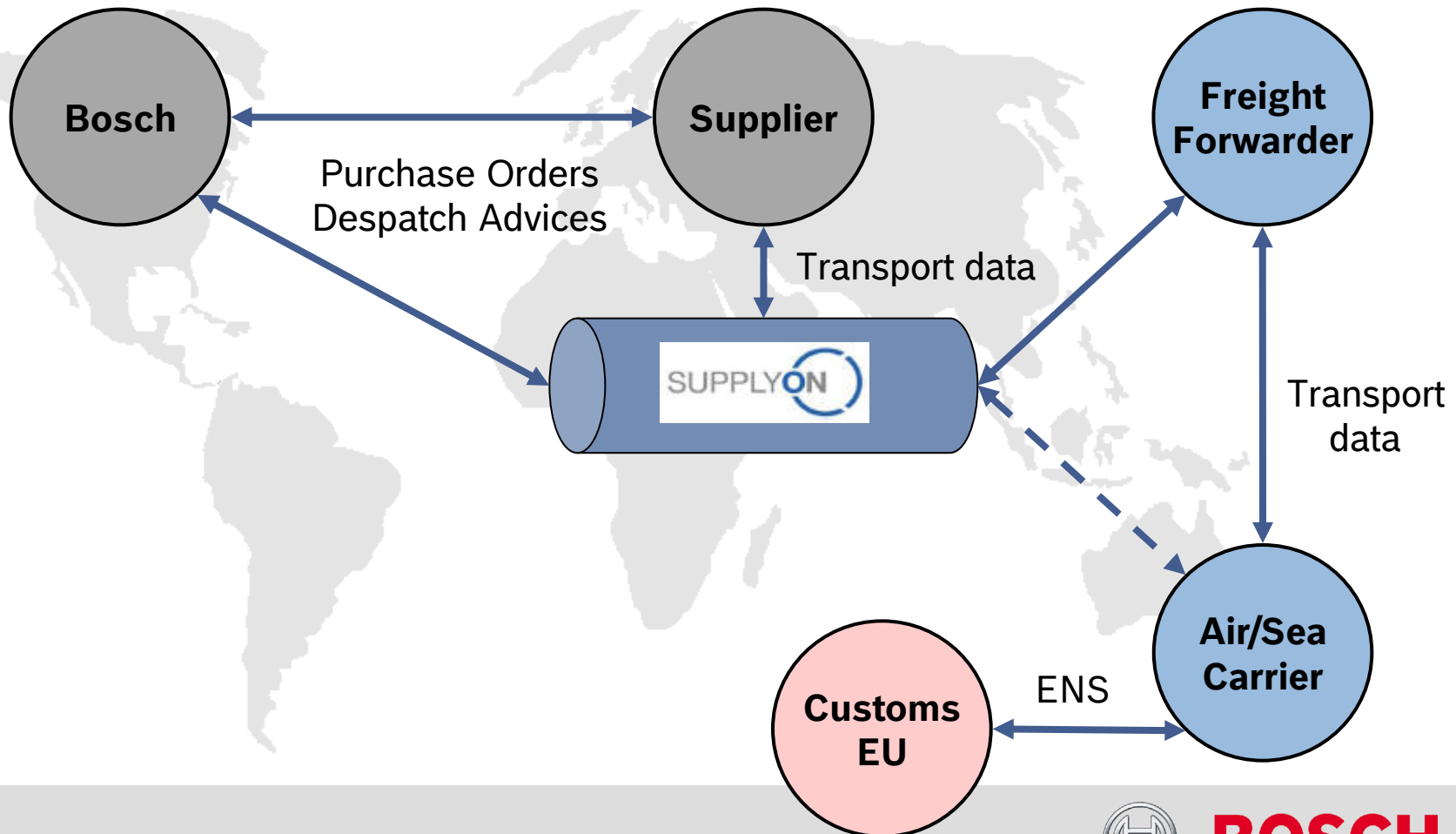
- ▶ Suppliers are not familiar with ICS compliant product descriptions
- ▶ Fixing of error messages due to wrong/incomplete ENS will cause shipment delays
- ▶ Volume of transport data will increase



Solution idea



Technical solution: Global Trade Data



Motivation for Global Trade Data

AIAG (Automotive Industry Action Group) survey:

Many service providers are faxing, emailing and even carrying paper documents, documents are often unreadable or missing critical information.

Many trading partners use EDI internally and then revert to paper when communicating with other stakeholders involved in the movement.

15% of inbound ocean shipments experience delays in-route due to inaccurate or incomplete data.

91% of all communication problems are directly attributable to the use of email, phone, fax and paper. With only 9% of problems emanating through use of electronic data exchange.

79% of all data used in long distance supply chains is re-keyed multiple times into the various systems for business, customs and shipping.



Motivation for Global Trade Data

IATA refuses responsibility for data accuracy

IATA Position Paper

Standardization requirements - Extract: “Advance Security Notification”

3.3.5 It must be clear and unambiguous as to which party (or which role in the supply chain) is responsible for providing each element of advance information.

The freight forwarder should be responsible for providing house air waybill related security risk assessment data to Customs. The consignor originally provides many of the data elements associated with the house air waybill information. The freight forwarder should be responsible for non-submittal or late submission **but the consignor should be held responsible by the freight forwarder for data accuracy and completeness of data provided and any related penalties that may arise there from.**



Motivation for Global Trade Data

Limitation of additional cost for all stakeholders



ISF filing fees in US

Standard Pricing

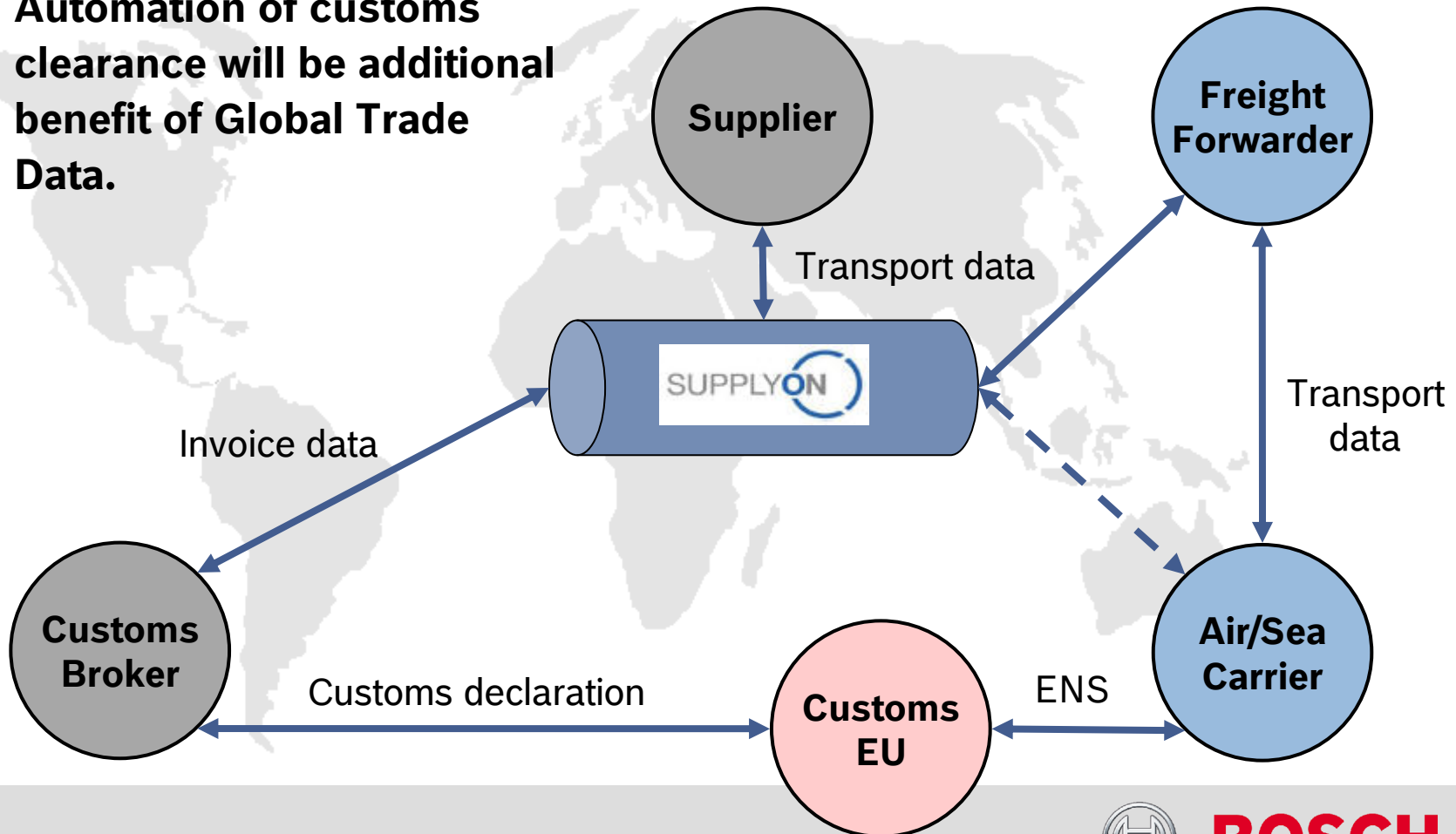
Service	Price per Filing
DGF Customs Brokerage and Ocean Forwarding:	\$60.50
DGF Customs Brokerage and Non – DGF Ocean Forwarder/Steamship:	\$55.50
DGF Ocean Forwarding customers not utilizing DGF Customs Brokerage Services:	\$95.00
EDI Customers:	Fee based upon level of automation

ISF amendments will be an additional 50% of the service fee.
Cancellation of and ISF file will be the original base fee plus an additional base fee.
Volume discount of \$5.00 will be given with more than 100 files per annum.



Motivation for Global Trade Data

Automation of customs clearance will be additional benefit of Global Trade Data.



Project Global Trade Data

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Exchange of Material Master Data

Scope

Manufacturer provides foreign trade related material master on collaboration platform: product description, HS-Code, origin, export control classifications, etc.

Customer retrieves data for maintenance of his internal material master files

Collaboration platform provides functionality for translation of manufacturer/customer material numbers

Business Case

Customer saves personnel capacities and cost for product classification, tariffing and determination of origin



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Exchange of supplier declarations

Scope

Customer provides request for supplier declaration on collaboration platform; supplier retrieves request for supplier declaration.

Supplier performs preferential calculation for requested parts and provides supplier declaration on collaboration platform a) electronically b) manually for download or printout by customer.

Business Case

Customer saves personnel capacity and cost for manual exchange and handling of supplier declarations

Option to provide non-preferential value shares in non-originating products for further processing by customer





Thank you

