Deloitte.

Trade Classifier
Enhance your trade operations

Making the unmanageable manageable

Why now?

Classification drives trade compliance

Trade compliance and classification
In today's political environment where global trade regulations change at a fast pace, organizations are reconsidering their trade compliance strategy looking for ways to optimize processes, minimize manual eff orts, and focus resources on driving strategic value.

Classifi cation is an important part of trade strategy as it determines amongst others, tariff and non-tariff measures, duty rate applicable to an item, etc. Classification errors can lead to:

- Fines and penalties
- Over or underpayment of duties
- Missed opportunities/risks in preferential origin calculation
- Operational inefficiencies.

Artificial Intelligence & Machine Learning
By leveraging Artificial Intelligence (AI) and Machine Learning, Deloitte's Trade Classifier learns from historical classification data and makes classification recommendations in an automated fashion.

This streamlines the traditional resource intensive classification process and allows resources to shift day-to-day activities from operational to strategic.
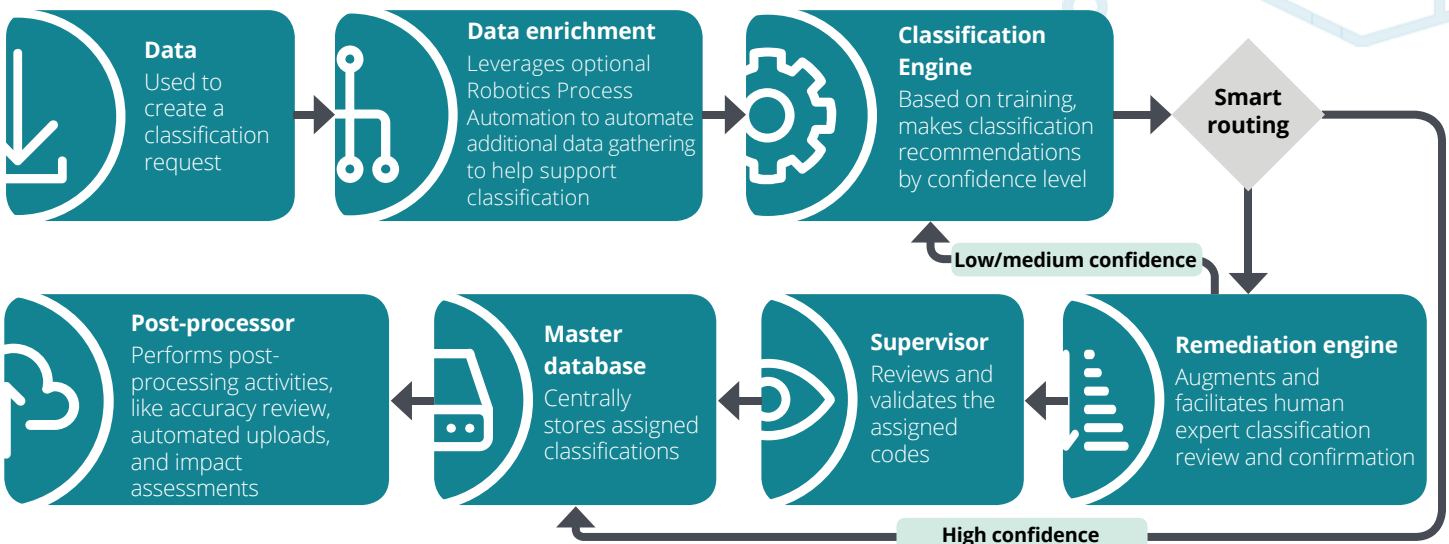
Classification challenges:

- **Limited experienced resources**
- **High volumes of new products requiring classification**
- **Manual process prone to human error**
- **Budgetary constraints**
- **Inconsistencies in classification**

Our solution

How it works

AI benefits

- Copes with client specific vocabulary and product descriptions
- Detects of erroneous/inconsistent classification in historical data and manually performed classifications
- Classifies the material, taking into account the intended level of confidence and accuracy
- Generates a list of most plausible suggestions
- Stores results of manual efforts made in the Trade Classifier system
- Has a continuous learning cycle by feeding results back into the Trade Classifier tool

Data
Used to create a classification request

Data enrichment
Leverages optional Robotics Process Automation to automate additional data gathering to help support classification

Classification Engine
Based on training, makes classification recommendations by confidence level

Smart routing

Low/medium confidence

Post-processor
Performs post-processing activities, like accuracy review, automated uploads, and impact assessments

Master database
Centrally stores assigned classifications

Supervisor
Reviews and validates the assigned codes

Remediation engine
Augments and facilitates human expert classification review and confirmation

High confidence

Differentiators

Enabler

- **Gives you control** of your classifi cation process
- **Provides insights** on your classifi cation master data quality
- **Helps shift focus** from operational to strategical decision-making

Accuracy and quality

- Multiple point **control process** to provide high degree of classification accuracy
- **Inconsistency and anomaly detection** in historical and new manually performed classification

Tailored

- Can cope with **your specific master data** structures and is language independent
- Classification for **multiple jurisdictions**

Consistency

- Transition from human thought process prone to error and inconsistencies to **automated trained machine** that acts consistently every time

Knowledge HUB

- **Stores results** of manual decisions into the core of the system
- **Continuous learning cycle** by leveraging manual efforts and enhancing system learning

Metrics and analytics

- Contains **dashboards** for easy monitoring of performance and reporting to management
- Allows **identification of gaps and areas of risk**

Our delivery models

- Outsourcing of classifi cation activities to Deloitte's Global Trade Advisory team who can leverage our Global Trade Delivery Centers (GDCs) and Trade Classifi er
- Limited involvement from your organization e.g., gathering and classifying your data

Outsource classification service

Classify in-house through Trade Classifier (Saas)
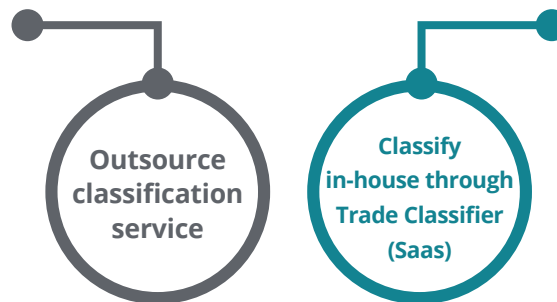
- In-house training, classification, and validation with minimal external input
- Requires a strong internal structure and classification team
- Deloitte can support start-up activities if and as requested, such as data quality review, system and personnel activities.

Combining Deloitte's GDC's with Trade Classifier enhances:

Cost-e fficiency
leveraging off-shore classification specialists with automated technology

Increased quality
leaning on Deloitte's standard quality review process, global network of trained classifi cation specialists, and proprietary technology

Flexibility
potential for around the clock support and customized processes

Deloitte.