



Customs Reconciliation Tool

Ensure effective reconciliation and management of the UAE Free Zone Customs liability

Given the complexity of the Customs post-clearance audit process and long list of requirements, maintaining proper records requires an efficient Customs control function.

As part of the compliance process, the United Arab Emirates (UAE) Customs requires each Free Zone (FZ) company to provide their record keeping (e.g., available stock, import and export data, stock reconciliation, etc.), which must be kept up to date from the date of inception, in a certain way of reconciliation and mapping between the inbound and outbound Customs data.

The records and information must be presented in a pre-defined format, which could potentially be a complex exercise for most businesses and can easily take several months to years to complete.

How Deloitte can help

Deloitte has launched the Customs Reconciliation Tool (CRT) which aims to determine the available stock by grouping transactions per HTS Code, Country of Origin, and by Customs Declaration number and facilitates the mandatory stock reconciliation process that clients operating in FZ's must complete, as part of a self-assessment or customs audit process.

Stages of the Customs Reconciliation Tool

1. Facilitate Customs audit/dispute engagements compliance

The use of this tool allows the facilitation of compliancy from a Customs audit/dispute engagements perspective, in a timely manner and will help avoid penalties. Given that the process will be automated, the tool will save 90% of the time spent by the Customs team members.

2. Perform an in-depth assessment of the FZ data

The tool enables FZ entities to access data and answer key trade effectiveness questions:

- What are the regulatory costs in the business' reconciling record (Customs duty)?
- What is the average rate of Customs duty for products by origin country and supplier?

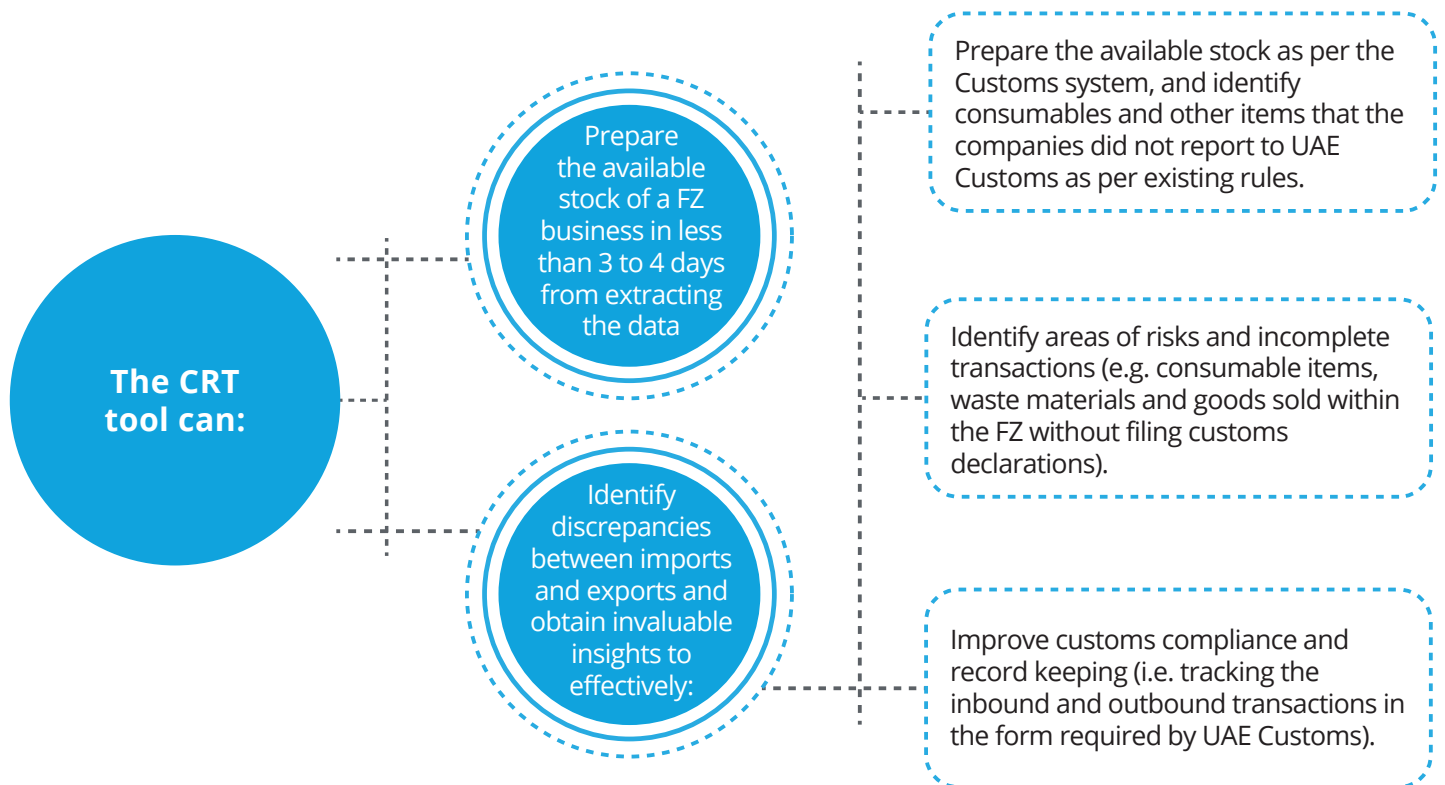
- How much duty has the business saved by utilizing duty concessions?
- Has the business utilized all Free Trade Agreements (FTAs) and other customs duty concessions?
- Are Customs brokers and freight forwarders meeting border clearance KPIs?
- Are broker's lodging accurate information to the government on the company's behalf?
- Is the business compliant with regulatory requirements regarding valuation, transfer pricing, rules of origin, etc.?

3. Facilitate and report

- Insights on data and data quality
- Identification of gaps and potential risks
- Consequent financial reporting
- Builds and maintains a structured process to achieve 100% Customs compliance
- These remedial actions will be available to help take appropriate action and ensure effective Customs compliance reporting and management.

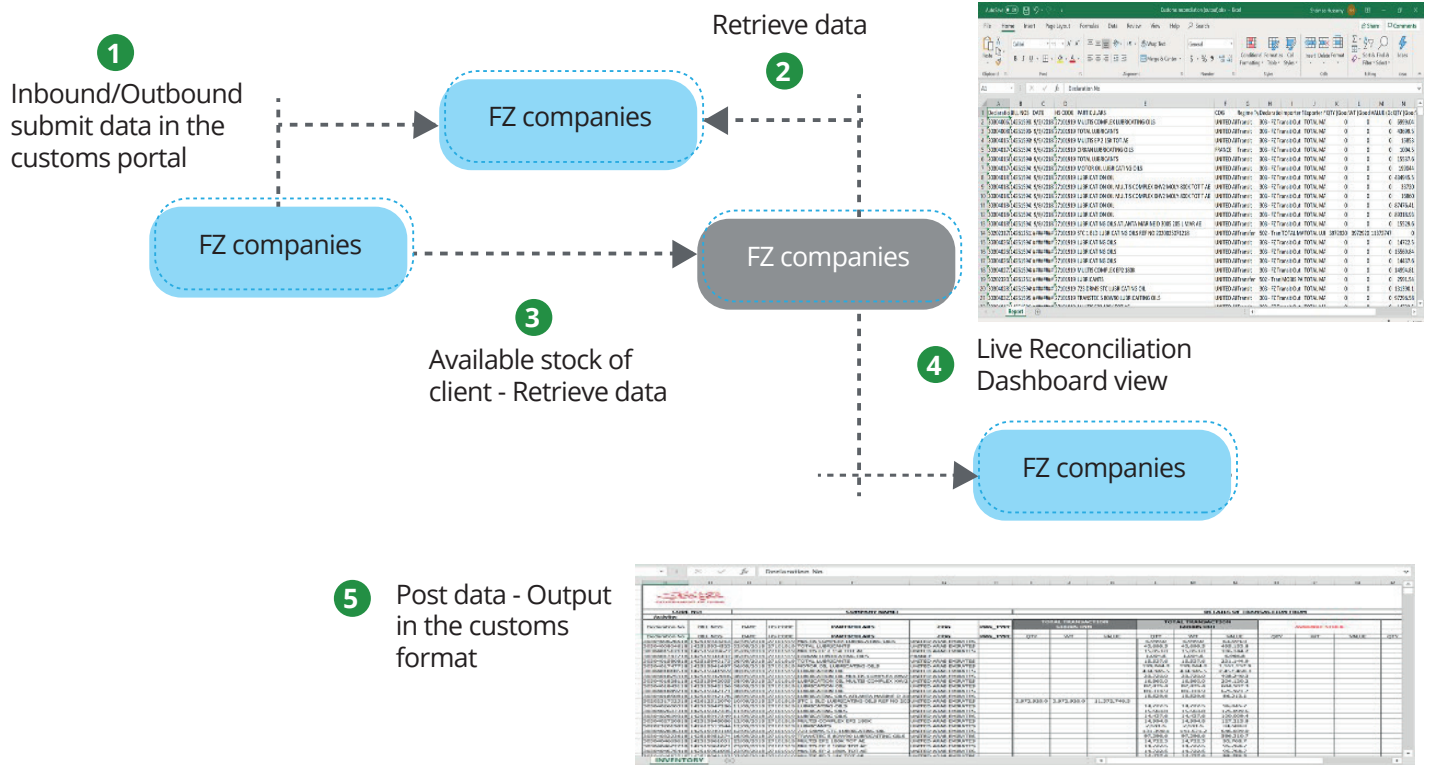
Objectives and benefits of the Customs Reconciliation Tool

Maintaining central visibility and control over imports and exports is critical and CRT tool can help businesses:



The Customs Reconciliation Tool integration

The use of state-of-the-art equipment and technology is providing Customs authorities with more efficient means for assessing importers and exporters' compliance with the GCC Common Customs Framework:



Contacts

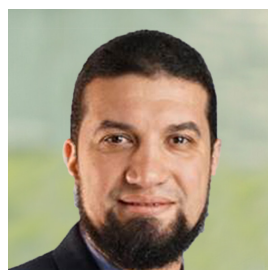
For further information about the CRT, please reach out to one of our Deloitte ME Customs and GTA team.



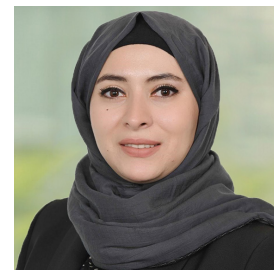
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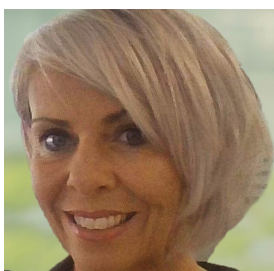
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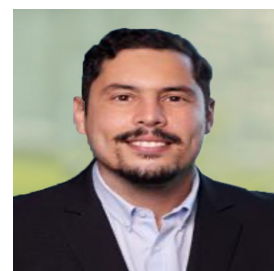
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