



Braumiller Consulting Group

Strategic Use of Trade Compliance Managed Services

Robert Stein



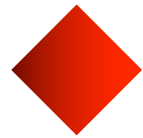
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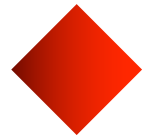
What are Managed Services?



Expertise and services provided by external professionals.



Contract-based, scalable, and flexible support.



Functions as an “outsourced department.”



Expands operational capacity and hours.

Types of Managed Services



- HTS Classification
- ECCN Classification
- USMCA/FTA Validation
- Import/Export Compliance
- FTZ Administration
- Customs Broker Management
- Process Auditing

Customs Business Rule

- Only a licensed broker (including those working for a consultant), customs attorney, or importer are the parties who can provide classification for entry purposes.
- Customs business must be conducted in the U.S.



When and Why and Best Uses

- When you lack knowledge and expertise in house
- When you unexpectedly lose your expert
- When you need to scale trade compliance functions rapidly
- Because you can't increase "head count" but your "services" budget has capacity.
- To ramp up of critical trade compliance functions
- You need to move quickly to shore up compliance after a penalty or liquidated damages claim.



HTS Classification

Accurate classification using HTSUS, CROSS, and client data.

Populate GTMS with SKUs, HTS codes, and duties.



Evaluate trade remedies (e.g., 301, 232).

Mitigate duties with tariff engineering.

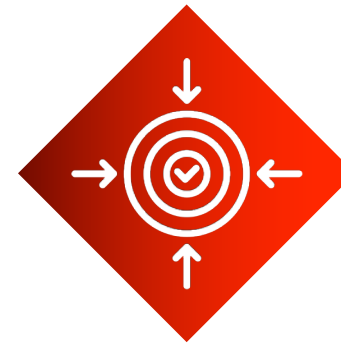
ECCN Classification



**Classify using the
Commerce Control List
(CCL).**

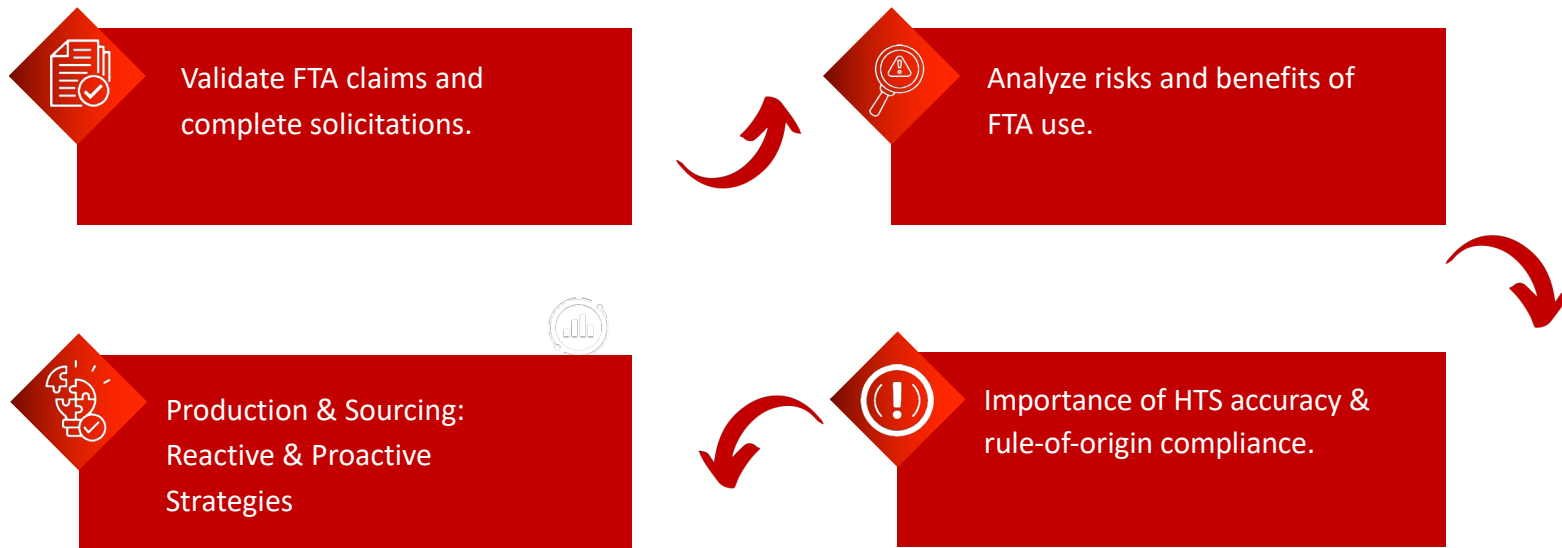


**Apply for export
licenses via SNAP-R
and DECCS systems.**



**Determine jurisdiction
(Commerce or State)
and commodity
classifications.**

USMCA & FTAs



Import Compliance

- **Maintain and update compliance manuals.**
- **Ensure compliance with recordkeeping and regulatory requirements.**



- **Monitor broker compliance and mitigate risks.**
- **Conduct compliance audits and process reviews.**

Export Compliance

- Determine license requirements
- Conduct Denied Party Screening (DPS) and maintain anti-boycott compliance .
- Review and update export manuals.
- Interacting with freight forwarders on compliance matters.
- Monitoring of sanctioned and embargoed countries.



FTZ Administration

Daily administration, e214 admissions, removals, and inventory reconciliation.

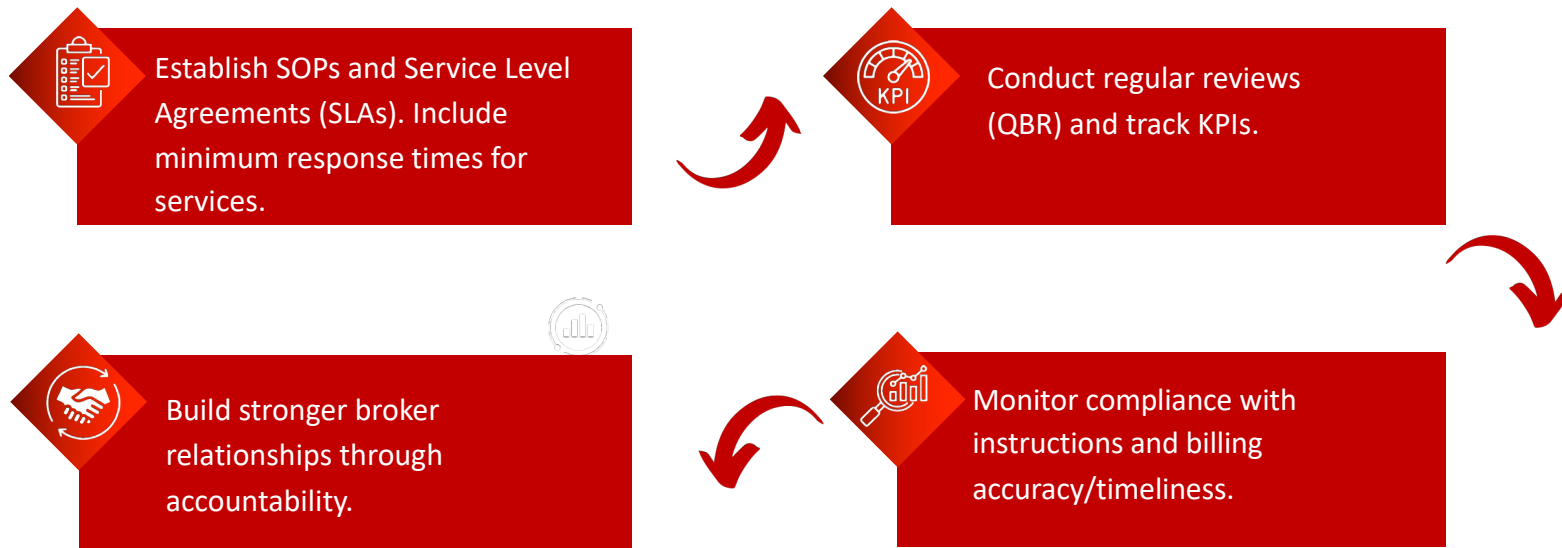
Preparing weekly entries and harbor maintenance fee filings.



Operational Interaction between customs broker and FTZ operator

Conduct annual reporting, reconciliation, CBP system reviews, and OFIS reporting.

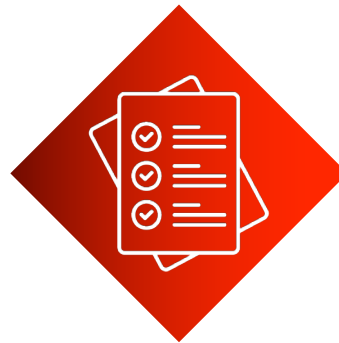
Customs Broker Management



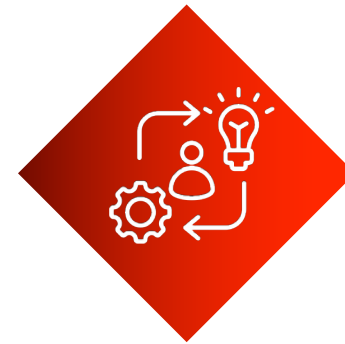
Process Auditing



Audit import/export filings and broker/forwarder accuracy.



Conduct internal compliance reviews and issue report cards.



Initiate and monitor corrective actions.

Managed Services Advantages



Predictable Costs: Fixed monthly/annual fees.



Scalability: Expand operations without new hires.



Expertise: Access to industry knowledge.



Enhanced Productivity: Focus on core tasks.



Staffing Flexibility: No gaps during turnover or leave.

Risk Management Implications

- Supports “reasonable care” compliance standards.
- Impartial and proactive risk assessments by external experts.
- Training opportunities to address regulatory changes.
- Handling dynamic updates (e.g., HTS changes, tariffs).



Choosing a Provider

Prioritize expertise and practical experience. Are they US based?

Are their people licensed or otherwise credentialed?



Compare service offerings thoroughly.

Evaluate cost and contractual terms.

Information Exchange Methods



Secure Sharing

Use secure document sharing access such as ShareFile to protect sensitive information



No Email

Do not use email. It's harder to organize, insecure, and adds to operational clutter.



Ensure Access

Ensure proper access for parties that need it.

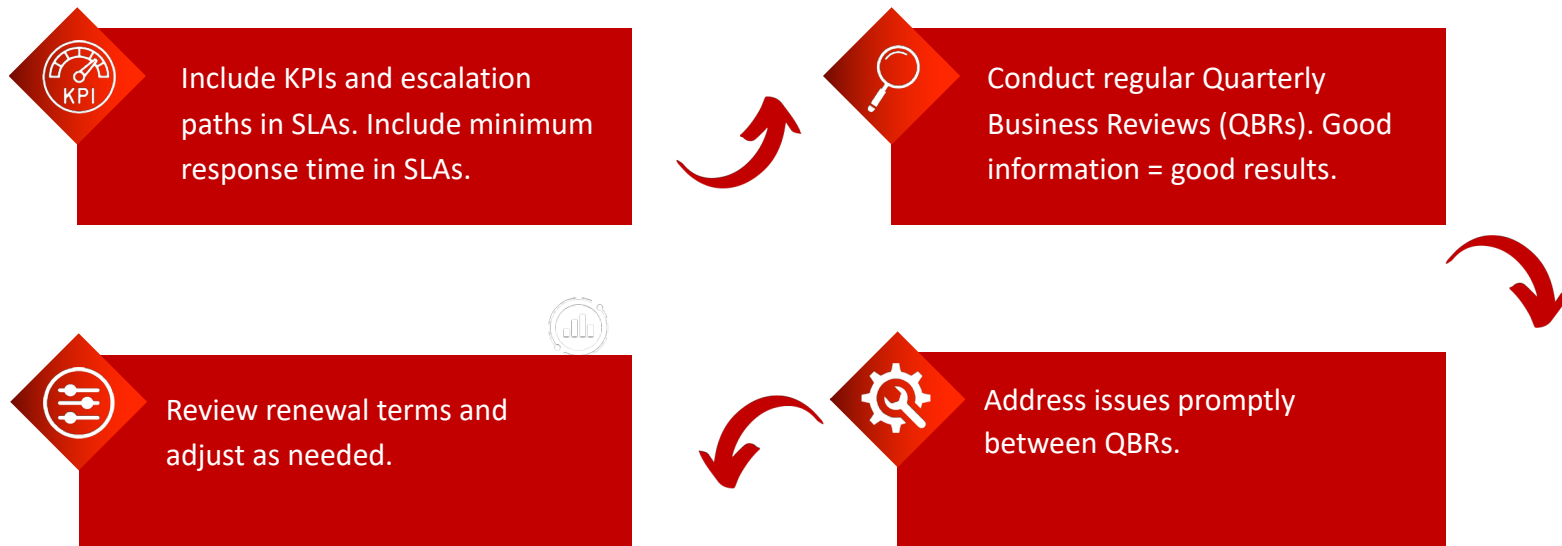
Software Decisions

- Choose systems (e.g., GTMS, FTZ ICRS) based on needs.
- Ensure ERP/WMS integration where required.



- Test thoroughly before implementation.
- Clarify ownership, access, and recordkeeping responsibilities.

Measuring Success



Making Provider Changes

What to do if your current provider is not meeting expectations:



Seeking Out New Provider

Finding a provider whose expertise, experience, and culture has the best fit for your needs.



Establishing SOPs & SLAs

Setting yourself up for success.



Training, Training, Training

Training for the provider/administrator.
Training for the FTZ Operator.
Training for the customs broker.



Communicate with Current Provider

Planning an exit strategy and preserving industry relationships.

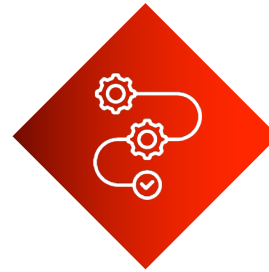
Third Party FTZ Administration Benefits



Improved communication between all parties.



Improved reconciliation and reporting accuracy.



Streamlined operations with fewer errors.



Continuity and Scalability.

Managed Services Recap



Access Expertise: Tap into specialized knowledge without hiring in-house.



Cost Predictability: Fixed fees streamline budgeting.



Risk Mitigation: Reduce penalties, duty liabilities, and compliance errors.



Scalability: Adapt to growth without increasing headcount.



Boost Productivity: Allow internal teams to focus on strategic priorities.

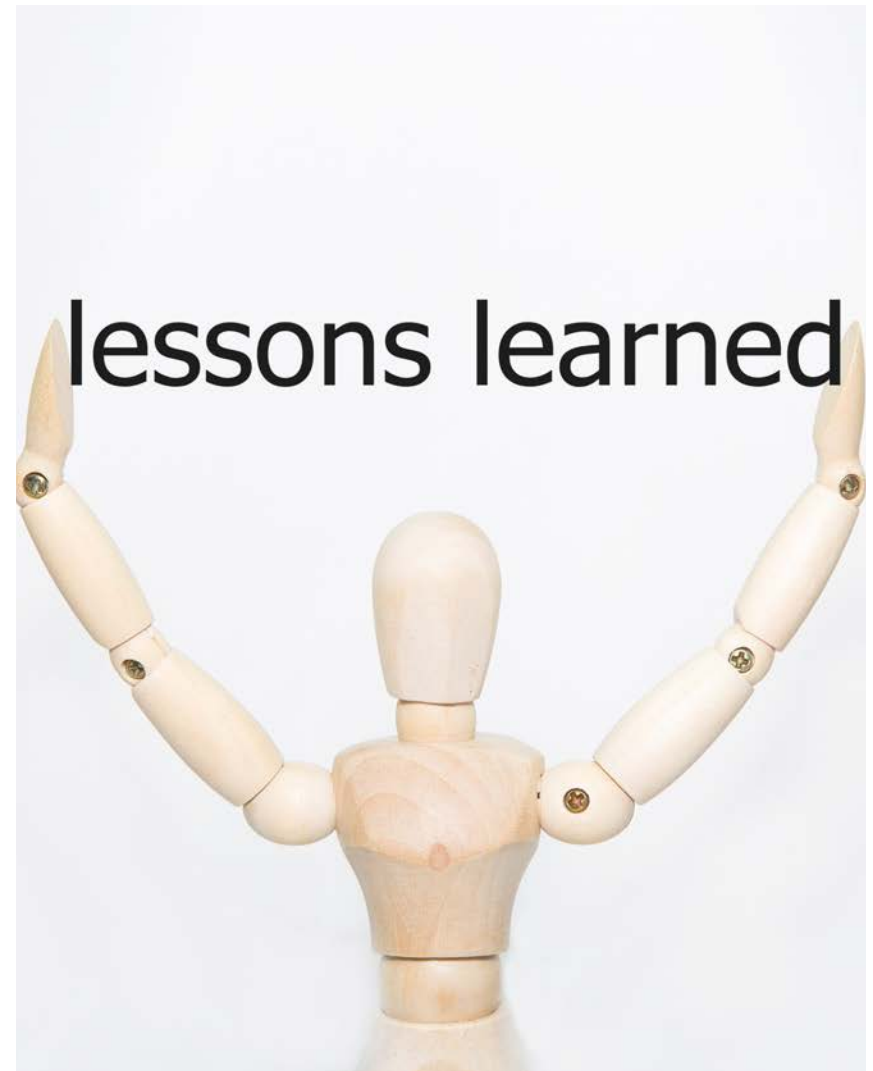
Intriguing the CFO

- Expense classified as “services”, not “personnel”.
- Not having to fill specialized compliance roles.
- Mitigate risks of non-compliance such as penalties, unexpected duty bills, interest, and bad publicity.
- Enhances productivity of existing staff because they can focus on core tasks.
- Seamless scaling of Trade Compliance functions.



Lessons

- Don't use price as your main selection for a provider. The cheapest option could result in non-compliance.
- Know your provider-- Are they using foreign resources where it isn't allowed?
- Vet your provider- Contact current customers and be wary if references are not provided.
- Always check the work product from your provider. The IOR has the ultimate legal responsibility.
- Don't operate without a service level agreement (SLA)-- Establishes party responsibilities and processes (e.g., response times, escalation processes, and KPI's).
- Set up your service provider for success- Proper system access, catalogs, manuals, personnel access and more...



Questions?





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Thank You

For Your Attention



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