Customs and Foreign Trade Services

The Burden of Taxation on the Import/Export Industry

We understand the unique and substantial tax burden imposed on companies that rely on the import or export of supplies, components, or goods, in any measure, to conduct business. U.S. Customs and Border Protection (CBP) collects an estimated $32 billion annually in duties paid on imported goods entering the country. CBP may also collect additional ad valorem fees such as Merchandise Processing Fees (MPF), Harbor Maintenance Tax (HMT), Anti-dumping (AD) and Countervailing Duties (CVD), and certain Internal Revenue Taxes (IRT) attached upon importation. Navigating the taxation of every import/export transaction in all pertinent jurisdictions is complex, time consuming, and too often underserved within the limited resources of the corporation.

The Potential Impact on Profitability

In today’s economy, it is common for corporations of any size to expand their footprint across multiple borders to stay competitive. At the same time, the requirements surrounding global taxation have grown in complexity. The result in the U.S. alone is an estimated $2–3 billion in potential customs duty drawback left unclaimed by the businesses to whom those monies are entitled. Additionally, other IRT excise taxes paid on imports after entry qualify for export-related refunds or credits, many of which are never pursued. Without insight into the intricacies of customs and foreign trade taxation, sums of significant value are wrongfully left in the hands of government agencies.

The Ryan Advantage

Ryan’s approach to Customs and Foreign Trade consulting is innovative and unique. Unlike a typical issue-based practice with one or two areas of concentration, we take a holistic approach to your business. We look at the whole picture of who you are as a global trader—as an importer, as an exporter, as a company who, as part of your operation, must haul cargo across international borders. We evaluate how the tax burden of importing affects your business by asking key questions:

- Do you or your vendors import goods from outside the U.S.?
- How does the product leave the country when you sell it?
- Do you use foreign-sourced materials, parts, and/or components in your domestic production process?
- Where does the money go?
- Who handles your compliance?
- Have you ever explored a study to identify recoveries?
- Do you utilize a Foreign Trade Zone?
Client Success Stories

Duty Drawback

**Client Issue:** Two ocean carriers with similar operations dock in the U.S. and travel on international seas. Any cargo onboard at the time of departure is considered an export as it crosses into international waters. All fuel consumed on international travel, as long as the fuel is imported or has incurred duties that have been paid, is entitled to a reclaim. The import/export industry was unaware of the issue.

**Approach and Solution:** This was a Ryan-generated opportunity. Our relationships within the energy industry coupled with our expert knowledge of tax law and the import/export process requirements enabled us to connect with the right people and reclaim those dollars. Ryan approached these clients with this unprecedented and substantial tax saving issue.

**The Result:** We performed a three-year look-back and reclaimed significant savings in duty drawback for each company. With the help of Ryan’s relationships and expertise, both companies will continue to receive additional annual savings in duty drawback going forward.

Proprietary Technology

**Client Issue:** A large eyewear company imports materials for U.S. manufacturing and then exports a portion of its finished product. We approached the client with a savings opportunity of which they were unaware.

**Approach and Solution:** Rather than focusing on a single service offering, Ryan’s tax team embarked on a forensic investigation of the company’s entire manufacturing process. Ryan’s Proprietary Data Extraction Tool scoured three years of data—a quantity too cumbersome for manual review. Through this investigation, we identified imported materials and exported product that qualified for duty drawback.

**The Result:** Ryan captured more than $750,000 in tax savings and did all the work required to put that money into the client’s hands. Moving forward, we anticipate a steady stream of $200,000 in annual savings.

The Benefit of Ryan

Once we identify the strategies and concepts that add value, we put Ryan’s Customs and Foreign Trade specialists to work for you. We apply for refunds. We work with the global taxing authorities. We speak with Customs on your behalf. We work with your vendors—the people who deliver and buy your products, and also the middlemen who actually participate in that supply chain. We do the hard work, executing any and all strategies that we know will deliver the greatest value.

Value-Added Strategies

Foreign Trade Zones
First Sale for Export
Legislative Relief
Logistics Cost
Miscellaneous Tariff Legislation
Duty Drawback
Reclassification

Award-Winning Tax Services

For additional information
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