

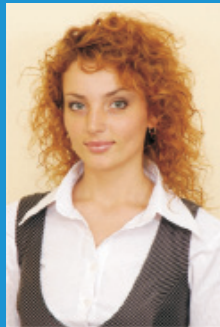
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At PricewaterhouseCoopers Romania over 650 professionals work together from three different approaches: Assurance, Tax & Human Resource Services and Advisory. Based on our key concept of Connected Thinking we supply sector-specific services and seek surprising solutions. Not just for large national and international enterprises, but for government and not-for-profit-organisations, and for medium-sized and smaller enterprises too. As an independent component of a worldwide network with more than 163,000 colleagues in 151 countries, we have a lot of knowledge and experience at our fingertips. This we share with each other, with our clients and other stakeholders. We feel engaged, are capable listeners, make unusual connections and work together as a strong whole.

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Tariff Classification Services

PRICEWATERHOUSECOOPERS 

Tariff Classification Services

Do you import goods and pay import duties?

If so, have you investigated ways to cut your costs? Have you considered the available customs tariff classification related opportunities? Even if you reduce your mark-up, your competitors can offer more competitive prices if they pay lower import duties for similar import products. opportunities?

These points are even more relevant during the current economic and financial uncertainty, when efficient cost and cash-flow management are crucial.

Correspondingly, it remains vital that your company ensures that the tariff classification of goods involved in foreign trade operations is correct and optimised.

The tariff classification of goods plays the major role in determining the customs duty burden arising upon their release into the country, the possible applicability of economic policy measures (e.g. licensing, quotas, additional taxation, minimum / maximum prices, etc), as well the applicability of excise duty to such goods.

That is why tariff classifications can have a significant positive or negative effect on your company's activities. This issue becomes more important for goods with uncertain or interpretable tariff classifications, especially when a product can potentially be classified under various tariff codes for which the customs duties and / or economic policy measures applicable differ.

As a very simple example: the tariff classification depends on how goods are presented in customs - i.e. an industrial

product purchased from a supplier and presented entirely and simultaneously in customs is to be classified at a specific tariff code, while if presented in split shipments, each component is classified at a different tariff code (corresponding to the given spare part).

By planning the transport, as well as the way goods are presented in customs, import duties may be minimised or even reduced to zero. Similarly, if different components of a single piece of equipment are purchased from different suppliers, it may prove efficient to analyse the advantage of presenting in customs one single assembled piece of equipment, rather than the parts separately (if the customs duty rate related to this tariff code is lower).

At the same time, using incorrect customs tariff codes can expose your company to the risk of incurring delays in clearing goods, overpaying customs duties or bearing additional costs from fines. Even though you may have a customs broker representing you in customs, you may still be responsible for ensuring accurate tariff classification of goods. Furthermore, it is very unlikely that your customs broker is interested in seeking solutions for minimising the import duties you are paying, but is generally concerned about performing customs formalities for today's transported goods.

You may, therefore, either benefit from the available opportunities or manage eventual exposures, if you are timely provided with innovative, practical and integrated solutions.

Our specialists are available to help you identify solutions tailored to your specific business needs. We could specifically assist you in any tariff classification-related issue, including the following advisory services:

- Performing the tariff classification of the goods and reviewing the tariff classifications already in use;
- Determining the arising customs duty burden and the commercial measures applicable to your goods, depending on the tariff classification, country of supply, origin, end-use, nature of goods, etc.;
- Conducting comparative studies on tariff classifications to optimise the customs duties, based on various criteria like logistics, origin, the way the goods are presented to customs, change in the nature or characteristics of the products, end-use, etc.;

written tariff classification information;

- Representing your Company with the MCA, as well as in following up the binding tariff classification decision process up to the date of its issuance;
- Assisting you during customs audits on issues related to tariff classifications;
- Assisting you in litigation and disputes with the MCA on tariff classification matters;
- Providing tailored training for your Company's staff on tariff classification rules;
- Subject to the approval of the Customs Procedural Code (currently in draft only), we could further assist you to be issued a Binding Tariff Information ("BTI") by the MCA. We will inform you when this opportunity becomes available and the benefits it may bring.