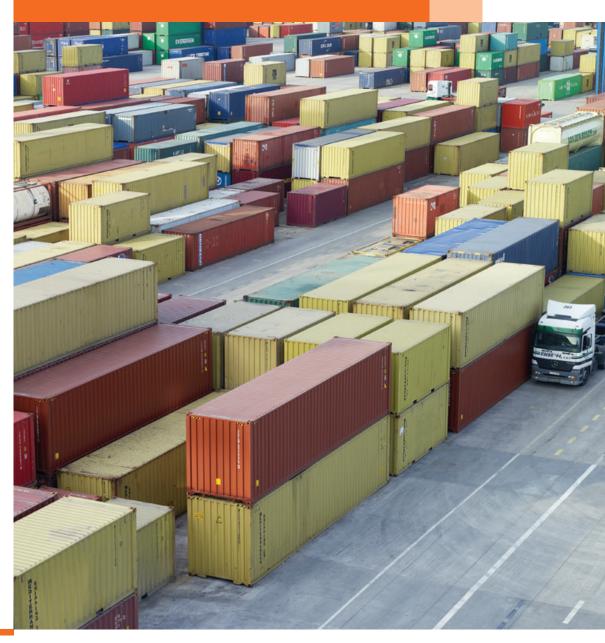
Free Trade Agreements: Taking Advantage of Duty Saving Opportunities





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Free Trade Agreements (FTAs) are considered one of the most effective tools to promote and enhance cross-border trade between countries. Especially in recent years, FTAs have taken a central role in the development and management of trade by offering many attractive opportunities and benefits to the business community.

One of the key financial benefits offered by FTAs is the customs duty savings opportunities that usually manifest itself in lower or zero rates of customs duty. Taking advantage of these opportunities can significantly lower costs of sales and help businesses to generate a competitive advantage, increased profitability and market share.

What does this mean to me?

Japan and the Asia region has an extensive network of FTAs that can offer considerable opportunities for business engaged in both inbound and outbound cross-border movement of goods. To determine how to leverage these opportunities there are a number of key questions that need to be addressed:

- What FTAs are available to your supply chain?
- Are your products covered by the FTA?
- Does the product satisfy the Rules of Origin?
- What is the amount of duty savings that can be achieved?
- Does the trade flow fulfill all compliance requirements?

How can PwC help?

Worldtrade Management Services (WMS) is the global customs and international trade consulting practice of PwC. WMS Japan is part of the regional WMS network in Asia which consists of a specialized team of trade and customs professionals who have proven experience in helping companies throughout the region to take advantage of FTA opportunities. The type and extent of our involvement depends on the precise needs of a particular client, as well as the knowledge and resources available inside the client's organisation.

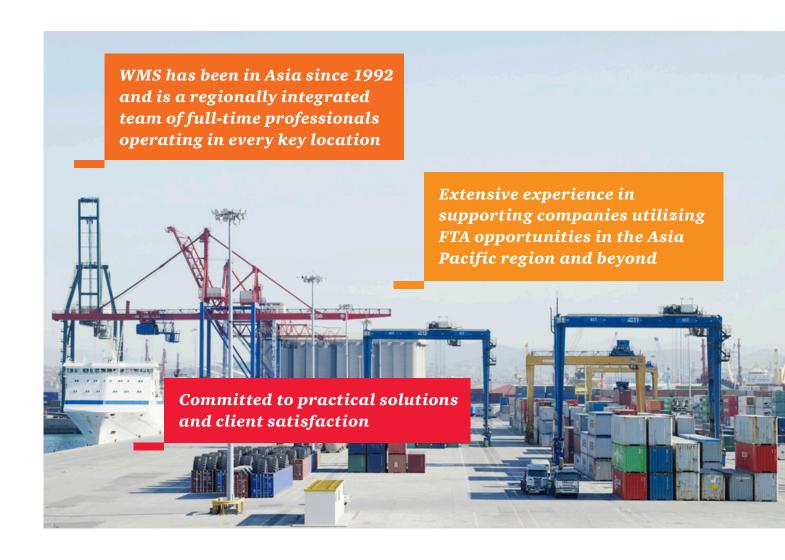
Below, we set out some examples of services we can provide to help realise cost saving opportunities through FTAs.

Feasibility Analysis

- ▶ Identification of the applicable FTAs to current and future supply chains;
- ▶ Determination of whether products are covered by the FTAs and calculate likely duty savings potential;
- Analysis of processes and procedures to determine qualifying requirements and whether products meet the compliance criteria (e.g. direct shipment, invoicing flows, documentation);
- ▶ Identifications of key challenges and rewards of achieving preferential treatment.

Operational Support

- Verify and document that products meet the qualifying criteria of relevant FTAs;
- ▶ Identify implementation strategies for those products that are eligible for duty concessions;
- Assist with the application for factory registration and relevant certificates of origin;
- Assist with creating a submission pack (e.g. cost statement and supporting documents);
- Review submission packs;
- Liaise with the customs authorities to provide submission packs in order to qualify for preferential treatment;
- Assist in dealing with queries and challenges from Customs.



For a deeper discussion of how this can impact your business, please contact:

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