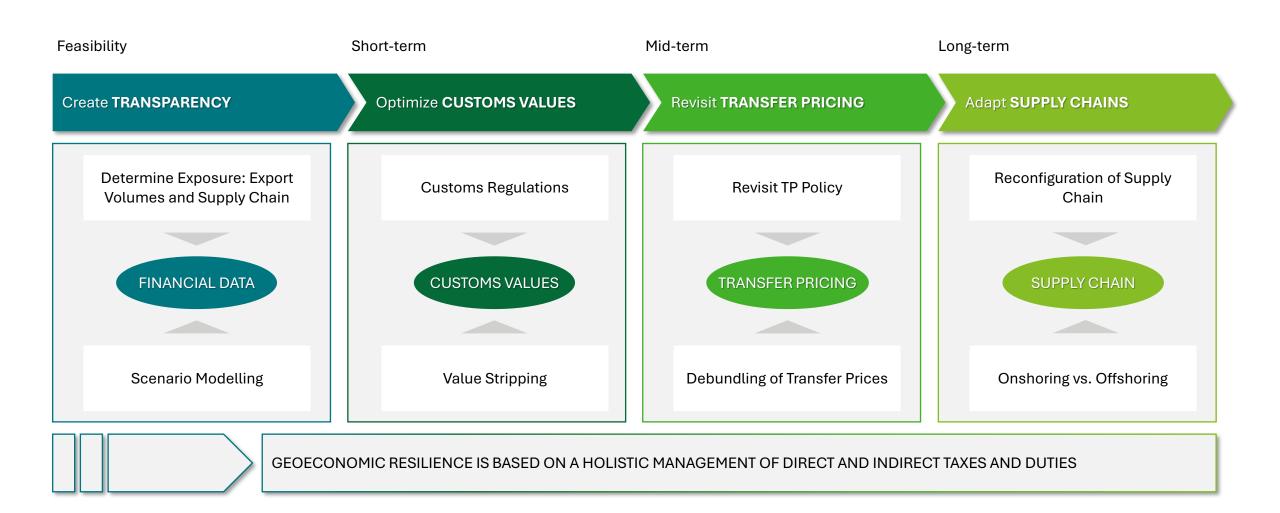
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Geoeconomic Resilience

A systematic approach (CORA) to mitigate negative trade and tax impacts on cash flow and profitability



Geoeconomic Resilience

A Systematic Approach (CORA) to Mitigation Measures



Optimize Customs Values

- Analysis of the existing supply chain and scenario calculation to quantify the financial risk
- Analysis of the customs tariff numbers used with regard to possible optimizations, socalled tariff engineering
- Analysis of whether components can be excluded from existing customs assessment bases or whether so-called pre-purchaser prices can be used
- Check whether specific local customs regulations or programs, e.g. refunds in the event of subsequent price reductions, can be used to reduce the customs burden if necessary

Short-term

Create Transparency



Revisit Transfer Pricing

Revisit TP Policy

Analysis of optimization opportunities within the existing supply chain to reduce customs values, e.g. reduction of target margins for US companies within the bandwidths and thus reduction of transfer prices

Debundling:

Splitting of transfer prices, insofar as these previously also included services, rights or IP, into price components relevant and irrelevant to customs value

Mid-term



Adapt Supply Chains

Reconfiguration of Supply Chain

Minimization of goods affected by customs duties by avoiding US touchpoints, local sourcing or setting up value-added stages in free trade zones or customs-favored areas

Onshoring/Local-to-Local

Maximizing value creation in the duty-protected market, e.g. increasing the functions/value-added contributions of local companies, establishing or expanding local production capacities, sourcing from the duty-protected market

Long-term

Global Trade Advisory

Transfer Pricing

Business Tax, VAT, Grants & Incentives Supply Chain

Trade Policy/Customs/Supply Chain

Transfer Pricing Contact Persons

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Deloitte as One – Trade Policy/Customs/Supply Chain

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