

# CLIENT SUCCESS STORY

## CUSTOMS CLASSIFICATION

### A LEADING U.S. MANUFACTURER TAKES HOLD OF THE CUSTOMS CLASSIFICATION PROCESS AND BENEFITS FROM SUCCESSFUL RISK MITIGATION

#### Client Snapshot

The Client is a leading U.S. manufacturer of protective coatings products for industrial, commercial and retail applications spread across multiple industries including: Automotive, Building/Construction, Oil & Gas, Security, and Mining. Strong brand presence and expanded product offerings have led them to continued growth every year resulting in over 2,000 applicators and contractors in over 80 countries.

#### The Challenge

As the Client's business expanded, so did their essential parts list, including those pieces received internationally. This became a challenge to manage, as customs compliance requires detailed records and information for each imported product. The Client needed help properly classifying more than 2,700 product parts for international shipping in order to ensure accurate shipment information and avoid paying higher customs taxes and fees. The Client approached more than ten different Customs Brokerage companies, but was unable to find a broker willing to take on the project. This essential first step to more effectively managing their international freight posed a threat to the company's ability to keep up with customer orders while avoiding customs penalties.

#### The Solution

The Client engaged eShipping's Customs Brokerage team for help with the project. Not only did the team agree to provide the classification for all 2,700 parts, but also all the supplemental information needed to be as close to customs compliant as possible. By researching the product on the Client's website, reviewing customs rulings, identifying HTSUS codes, and finally reviewing the detailed

rates for each part, eShipping provided the Client with a comprehensive product schedule. Details provided included Schedule B HTS Number, 10-Digit HTSUS number, Customs Quantity, Duty Rate, OGA with Explanation, and Antidumping/Countervailing with Explanations. Along with providing this fully classified parts list, eShipping was able to develop a customized program for continued work on future classifications.

#### The Results

Accurate classification of parts is critical in order to practice due diligence and remain compliant. By utilizing the Customs program developed by eShipping, the Client realized immediate benefits including the ability to more tightly manage inventory production and order fulfillment. Additionally, the program allowed the Client to begin mitigating the risks involved with improperly filed paperwork, including penalties, fees, and negative profiling of the company by the Customs department. The successful completion of the initial project paved way for an ongoing classification program which has benefited the Client through reduced overpayment of customs duties as a result of miss-classification, and provided peace-of-mind knowing they no longer need to worry about incomplete or inaccurate customs filings.

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