e2open®

Post-Brexit
Trade Compliance Management

The impact of Brexit on supply chains caused havoc for weeks before and after the January 1, 2021 deadline. Disruptions and accidental non-compliance with changing rules presented significant concerns that could not be ignored. Major trade shifts like Brexit are occurring more frequently, and businesses must be prepared with the answers they need to avoid any obstacles. E2open® provides the three-part solution to adapt and thrive in the midst of major trade changes: global trade management (GTM) software to streamline business processes; comprehensive trade content to maintain compliance; and integration to holistic supply chain management (SCM) capabilities to execute efficiently.

Despite significant corporate preparation for Brexit, regulations were not published with enough time for companies to appropriately determine critical factors about the new guidelines — such as the goods, parties and circumstances they applied to — and implement the changes manually. Compliance requirements continue to evolve as lawmakers propose, negotiate and implement new rules. Also, new duties, taxes and fees may be imposed that alter margins and make it necessary for companies to adjust prices. As a result, compliance teams are often left rushing to clear individual shipments, which reduces efficiency and impacts customer satisfaction while driving up the cost of goods.

With e2open, companies gain the holistic capabilities required to confidently and efficiently adapt to changing trade conditions, such as those caused by Brexit. Leaders can now plan and execute with the confidence that they have deep visibility into all post-Brexit trade rules. Compliance teams screen transaction data against the world's most comprehensive database of trade regulations to make sure they meet all U.K.-specific regulations for export, import and use. Organizations gain immediate visibility into duties, fees and taxes and can even detect cost-saving opportunities available through free trade agreements (FTAs). This enables intelligent post-Brexit decision-making while diminishing the risk of accidental non-compliance with new rules.

Key Features

- Accurately classifies products by verifying commodity codes and export control numbers against the latest U.K. Trade Tariff and the U.K. Export Control Order
- Automatically notifies users if export or import licenses are required, pinpoints available licenses and identifies imposed sanctions and embargos
- Identifies duties, taxes and fees and calculates total landed costs, simulating comparative results from different sourcing scenarios
- Detects applicable preferential trade agreements and notifies users so the company can minimize duty payments
- Taps into the world's most comprehensive trade content and includes daily updates to the latest Brexit regulations from dedicated trade professionals

Key Benefits

- Ability to assess the impact of evolving U.K. trade rules immediately and make well-informed decisions by analyzing all screening results from a single dashboard
- Reduced risk of fines, penalties and brand damage through compliance with the latest trade regulations
- Optimal duty payments and minimal delays due to accurate product classifications
- Easy comparison of landed cost scenarios for different import duties, taxes and fees
- Reduced cost of goods through identification and easy utilization of U.K.-related trade agreements

Fast, Reliable Product Classifications

Product classification forms the basis for nearly every tax, tariff, fee and export or import control imposed by Her Majesty's Revenue and Customs (HMRC) and other U.K. governmental authorities. E2open's system supports correct product classifications by allowing users to verify product codes against the U.K. Trade Tariff and the dual-use and military lists of the U.K. Export Control Order.

Detection of UK Import and Export Compliance Challenges

The system instantly screens transactional data against current trade regulations to verify that products comply with all U.K.-specific regulations at import and export. The screening process also detects and notifies users if the U.K. requires a license to export or import the goods. By identifying applicable rules and regulations, businesses can quickly view their compliance obligations and dramatically reduce the labor-intensive research required to identify new laws.

Shield supply chain operations from the impact of Brexit, gain unparalleled clarity regarding changing trade regulations and protect margins by identifying duties and costs that continue to emerge after Brexit.

Accurate Pricing Decisions Based on Total Landed Cost

As a result of Brexit, businesses may owe customs duties when importing goods from the EU to the UK. These fees and other potential taxes, such as import value-added taxes, can quickly add up and reduce expected profits. The system makes it possible to calculate and display the complete spectrum of landed cost components — including duties, taxes and fees imposed by the U.K. — under different contract provisions or Incoterms® scenarios. With this deeper understanding of the cost of goods, companies make data-driven pricing decisions to optimize margins.

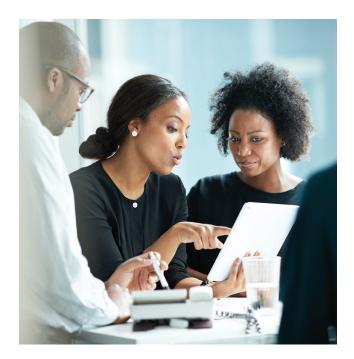## Cost Reduction Opportunities Through Trade Agreements

Trade agreements offer businesses the rare chance to significantly reduce customs duties in the import process if the applicable conditions and rules are met. E2open has added over 55 U.K. trade agreements to the platform so companies can automatically identify shipments that qualify for reduced or eliminated duties and efficiently manage all the documentation requirements, lowering the cost of goods.

Comprehensive, Current Trade Content

Updated daily by in-house global trade specialists, e2open's Global Knowledge® application contains the world's most extensive and most accurate body of trade content. E2open's Brexit trade compliance system draws on Global Knowledge to screen import and export transactions against the applicable U.K. customs tariff, import and export regulations, duty rates and other key sources of trade data. The system immediately flags any identified areas of non-compliance for resolution.

End-to-End Supply Chain Management Platform

Once an organization implements any e2open platform application, it is easy to add more capabilities in the future for better visibility, coordination and control over the end-to-end supply chain. The e2open platform creates a digital representation of the internal — and optionally external — network, connects internal enterprise resource planning (ERP) and financial systems using SAP and Oracle certified adapters for timely data feeds, and normalizes and cleanses the data to make it decision-grade. Using machine learning-enabled algorithms and supply chain management applications, the platform processes the data and provides bi-directional, closed-loop communications back to ERP systems for execution. This facilitates the evolution of supply chain processes towards true convergence of end-to-end planning and execution.