



Clothing & Equipment

A compliant strategy absorbs the shock and aids growth

Our client is a manufacturer of a patented material, used mainly in clothing and footwear, for high performance shock absorption. It has applications in a host of industries such as sports, motorcycling, personal protection and electronics.

Scenario

The client requested a Health Check because of concerns about potential risks due to the recent rapid growth of the business.

The product itself is revolutionary with unique characteristics that make it flexible and comfortable but rigid under shock. With licencing and patent issues to consider, we conducted a Health Check audit and reviewed all areas of operations from the movement of raw materials in Europe to the manufacturing process in China.

Orders were then placed from the Hong Kong warehouse for worldwide distribution to a wide range of clients, most in the sports clothing sector. The product protects the individual from impact with applications in sports including skiing, snow-boarding and running. It also has a military application as body armour.

Issues

There were long delays and problems in getting shipments cleared through Customs into China. The client was unaware that this process meant they should not be paying VAT which saved them almost 20% in cost.

We improved the clearance process using our knowledge of Customs in China and ensured that products were correctly classified with correct pricing shown on the invoices as well as controlling the export process from China. We were also able to give them key information about ITAR regulations in respect of their business with the Military.

Result

The client's business has grown enormously and is extremely successful. We continue to maintain close compliance checks in the UK and China where we employ a team of experts in customs and compliance.



Plant & Machinery

Managing risk and cutting costs all year round

When a manufacturer of large industrial processing machinery was faced with questions from HMRC, we were there to help.

Scenario

The shipper exports 98% of their product worldwide and holds an Approved Exporter status with HMRC. This allows them to make declaration on the export invoice which enables a reduced or zero rate of customs duty on import at destination.

The shipper received an audit check from HMRC on two shipments sent under this procedure (to Morocco) as their Customs had a query regarding the origin of the products shipped and wanted UK Customs to verify the origin.

What Happened

We were asked to undertake a Health Check audit on their entire export process as the internal review on these two shipments showed that 80% of the goods exported were non-uk in origin. In Morocco, their client could not then claim a preferential rate of import duty and this had potential impact on the overall commercial relationship. In the UK, the shipper faced the prospect of a £2500 fine per error and the threat of a three year review.

We undertook a review of their past 3 years' export movements and determined that there was a major flaw in the process which had the potential to cause the business serious problems.

The Result

We were able to demonstrate this to HMRC on a compliance audit visit at their site, which we attended. They were given a warning in respect of the problem on the two export shipments as a result of being able to demonstrate clearly that they had changed their export process and brought this into their ISO programme for specific internal audits.

We identified knowledge gaps on the rules of origin and preference and helped the client produce correct tariff classifications for their products and changed the style of their commercial invoices. The client then requested a full Health Check which involved reviewing the entire procurement cycle, the valuation/transfer pricing of products and a number of other areas. This identified further areas of risk for the management to review.

We are now engaged to provide annual audit checks.



FMCG Food and Drink

FMCG Value Added Services for a brand new household bakery brand

As a leading global brand of simple-to-prepare cakes, muffins and other products, our client is able to utilise the full range of value-added and 3PL solutions which Charles Kendall Ayezani (CKA) can offer in Dubai therefore enabling access to markets in the GCC region.

Current Scenario

Requesting a comprehensive supply chain solution, we engage with this client at all stages of the product's journey. Under a tailored agreement, we purchased the manufactured product from its origin in the USA before it was shipped to the UAE, where we acted as the importer offering a bespoke reworking and distribution solution to countries in the GCC.

Solutions

This particular product, a brand new product line, arrives loosely in cartons where it undergoes a series of procedures including repackaging, bulk to retail and injecting. The final box packaging is procured, sourced and printed locally in Dubai where it is assembled ready to house the loose products in quantities of 5, 10 or 15 items. The items are grouped and packed accordingly before they are stamped with an essential batch number, unique traceability code (in line with ISO 22000

and HACCP regulations), production date and expiry date, due to its 9 month shelf life. Thorough quality checks take place at every stage and upon completion to ensure guidelines are adhered to.

The goods are then stored in an ambient temperature controlled environment before continuing their journey onwards to countries including Saudi Arabia, Qatar and Kuwait. Replenished buffer stock is held in our warehouse to provide just in time inventory management and allow an increased level of flexibility for the client.

All necessary documentation is taken care of by our in-house customs team who seek and attain approval from the local authorities for the production and subsequent export and onward distribution throughout the region. Ownership is transferred back to the client once the goods have been reworked and leave our premises in the Free Zone.

Results

By allowing us to take ownership of the products whilst in Dubai, the overall supply chain costs are reduced for the client, as we are able to manage the inventory and retail logistics.