



JAPANESE MULTI-NATIONAL

rides to victory and saves
millions with Thomson Reuters
ONESOURCE® Free Trade
Agreement

How did it all begin?

Japan and Europe are critical trading partners, but it was only in early 2019 that an open trade zone was forged between the two trading blocs. Before this, billions were paid in tariffs by businesses on both sides. One such Japanese manufacturing multinational was paying millions as duties as EU was one of their highest revenue-generating markets.

The multinational was proactive, and just when the JP-EU agreement was being discussed between the two blocs, the client started evaluating options to simplify compliance. As part of the evaluation, they were introduced to the ONESOURCE FTA management platform, by Thomson Reuters.

The debate: Manual vs digital

The client was struggling with FTA management and had been manually managing its FTAs so far. It sought a comprehensive FTA solution that could integrate with their complex ERP estate. EU FTA was a different ball game since the scale of trade was much higher and so was the associated self-certification risk. All of this motivated the client to seek a robust FTA platform.

Approach Taken

Deep-dive workshops: During this time, Thomson Reuters global trade experts conducted several deep-dive workshops to understand the customer's business and current state.

POC implemented: Based on this, Thomson Reuters helped the client realize a future roadmap with a decisive Proof of Concept (POC) delivery time. They also helped the client team understand that millions would be left on the table if they took a manual approach to FTAs.



New FTA (JP-EU) on the horizon



Complex ERP landscape



Risk of non-compliance and high penalties

Why ONESOURCE FTA solution?

Like any other digital implementation, the client explored all possible ways to manage FTAs. Thomson Reuters, ONESOURCE FTA management solution, emerged as a clear winner among the other products in the market. Thomson Reuters' solution was functionally more superior and holistic.

During the POC stage, the platform was appreciated by the customer team for its user-friendly interface, global coverage, and system readiness. The client's global trade team realized that ONESOURCE would help them add that technology layer as well as empower their staff with FTA management and massive cost savings in terms of duty reductions. In terms of functionality as well, it stood out due to:

Superior data handling & processing: Automated Origin Determination

Ability to integrate highly complex bill of material structures before quickly analyzing them against the Rules of Origin of multiple agreements at the same time, on a cloud-enabled system.

Automatic self-certifications: Auditable Compliance

Ability to automatically self-certify that allowed for error-free declarations, mitigating potential penalties for while building the audit trail for future preferential claims.

- 1 ONESOURCE FTA solution stands out
- 2 Robust FTA solution
- 3 User-friendly | global coverage | system readiness
- 4 Strong implementation road map

Impact

Thomson Reuters was able to win the client's trust during the POC stage, especially with its clearly laid-out implementation program and roadmap.

Within the first year of the program, the client saw significant returns through a reduction in tariffs. They were able to save millions every year from the JP-EU FTA alone.

The impact was seen across organization, from R&D to sales. The company was able to channel the savings onto innovation projects. And pass on the benefit of duty savings to its end consumer through reduced pricing. It's been a win-win for the client and Thomson Reuters since this was one of its first JP-EU FTA implementations.



Millions saved in custom duties



Cost savings reach end-consumer in form of reduced prices



First JP-EU FTA implementation in the region

To learn more, visit
tax.tr.com/globaltrade
or contact us at +1 800 865 5257