

Global Customs Forum 2012

Managing Cross Border Regulations



Global Customs



Global Customs

General Motors

- GM is one of the world's largest manufacturers of passenger motors vehicles
- GM maintains a family of global brands including: Buick, Cadillac, Chevrolet, GMC, Holden, Opel and Vauxhall
- With operations in 120 countries, 158 facilities and approximately 200,000 employees we are an industry leader
- Our operations include an extensive network of suppliers, logistics and service providers, distributors, consultants, contractors
- All of which adds a significant level of complexity and risk to GM's operations





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GM Customs Today

Organizational Structure





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Global Customs Team

- Douglas Browning – Global Customs Counsel
- Claib Cook – Regional Director GMNA & Customs Operations
- Amy Martin – Regional Director GMSA
- Jose Puente – Regional Director GMIO
- Karen Young – Regional Director GME



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Global Customs Team

- A network of regional directors, country managers and 120 customs professionals
- Ensures that value, classification, origin, entry and clearance requirements are met in their AOR
- Ensures that any goods subject to import prohibition, restriction or licensing meet the applicable requirements
- Ensure that our import activities comply with local customs laws and regulations
- Ensures the activities of contractors, service providers and others are compliant and consistent with GM's Code of Conduct
- Assist business units in taking advantage of trade agreements, preference programs or duty reductions associated with special processing regimes
- Represent the interest of GM with local Customs authorities



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GM Customs Compliance

- Pre-1988 – each Business Unit was responsible for Import and Export operations in which over 50 Customs Brokers were utilized
- GM Tax Staff provided legal and general consulting service to Business Units
- 1989 – Tax Staff commences initiative to improve corporate-wide compliance
- Corporate policy on compliance issued, Customs procedural manual published, and broker procedures issued to minimize compliance exposure



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GM Customs Compliance

- 1993 – Customs function consolidated at the corporate level with Global Customs to own oversight and planning responsibilities
- GM approves development of corporate automated tariff and Trade Management System (TMS)
- 1997 – TMS-US automated customs compliance system implemented and GM becomes participant in the National Customs Automation Program
- Consolidation of management of Customs professional service providers



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GM Customs Compliance

- 2000 – Compliance assessment completed by Customs designating GM a low risk importer Active participation in ACE Trade Support Network – 2000
- GM becomes charter member in C-TPAT, FAST, ISA and participant in ACE Periodic Monthly Statement initiative
- GM emerged from Bankruptcy as a new company, maintaining all Customs programs and privileges with a renewed emphasis on compliance



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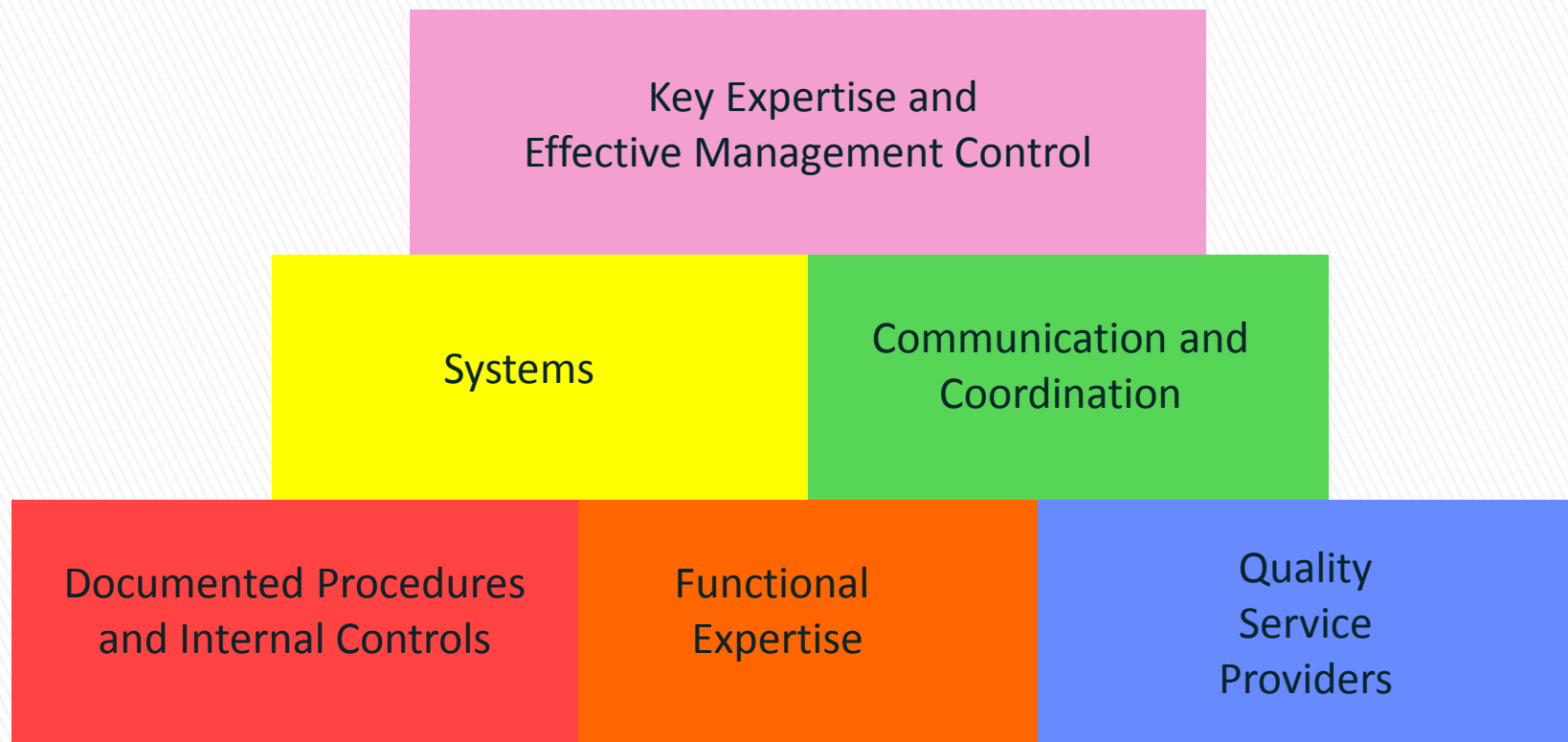
Managing Cross Border Regulations

- Compliance
 - Customs and other laws
 - Trade preference programs, FTAs, etc.
 - Special manufacturing or processing regimes
 - Security – trusted trader programs, AEO, C-TPAT, PIP, etc.
 - Controls – to ensure import and export activities are compliant
- Corruption
 - Anti-Corruption/Bribery laws – FCPA, UK Bribery Act, etc.
 - Risk management – assess risks and develop mitigation strategies
 - Third parties – managing service providers and others acting on your behalf



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Keys to a Compliant Customs Organization





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Key Drivers for a Compliant Customs Organization

People – hiring, developing and maintaining a staff of experienced Customs professionals to ensure both Customs compliance and corporate savings are achieved

Systems – developing and implementing systems solutions for Customs operations to ensure that information supplied is accurate, timely, consistently applied and auditable

Process – be a leader in the development of new Customs programs and enhancements, and support and expect continuous improvement for all processes and from service providers

Internal Controls – maintain and own internal management controls over all systems, processes and service providers



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GM Global Customs Controls Initiative

Objective: Improve global customs and trade compliance through globally consistent, locally relevant, documented policies, procedures, and controls

Elements of the initiative:

People – Coordinate and deliver Customs training to the global team

Process – Established the framework for managing and reporting global trade data, developed process for global controls data collection and reporting and issue management. As part of this process, identify and share best practices

Systems – TMS-II system supports a strong control environment by providing consistent, repeatable, reliable results, and ensures that the information supplied is accurate, timely, and consistently applied. The system also allows instantaneous data availability for management reporting, analysis and audit



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GM Global Customs Controls Initiative

Goal – Strengthen Customs Compliance

The benefits of this Initiative:

- Ensures compliance with import laws and regulations
- Reduces import compliance risk and develops strong controls
- Optimizes eligibility for voluntary trade programs and preferred/trusted importer status
- Promotes expedited movement of goods across borders and enhance supply chain predictability
- Provides consistent training across business units
- Enhances ability to support the business unit and identify, report, manage issues quickly



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GM Global Anti-Corruption & Integrity Compliance Program

Objective: GM is committed to complying with all applicable laws in the countries where we do business. Consistent with GM's Code of Conduct, all GM employees, service providers, contractors or any other representatives are required to do their part to adhere to the letter and spirit of all relevant laws and regulations.

Elements of the program:

People – Must be familiar with the Code of Conduct, strictly adhere to it and demonstrate the highest level of integrity and ethical behavior in all their activities on behalf of GM. The willful or negligent violation of law or GM policy will not be tolerated

Process – Each process has established desk procedures and internal controls that align with normal business practices. High risk processes or activities will have specific protocols designed to mitigate the risk and address vulnerabilities

Systems – TMS-II receives, stores and transmits core business information from a number of GM systems. The system supports a strong control and integrity compliance system by providing management with the checks and balances and auditability that is required to ensure ethical conduct and behavior



GM Global Anti-Corruption & Integrity Compliance Program

Goal – Ensure Integrity in Operations

The Program requires third parties to:

- Certify compliance with all applicable anti-corruption laws
- Certify that they or their employees have not been the subject of any investigation involving corruption or fraud
- Certify that in performing services they will not give anything of value to Government officials to obtain or retain business on GM's behalf
- Notify GM immediately of any change in ownership or control of the third party
- GM maintains the right to audit the books and records of such third party to substantiate payments made on GM's behalf
- Permit GM to terminate without liability or notice in cases of non-compliance



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THANK YOU

Questions

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