

## *Apparel Retailer – Duty Drawback* | A CASE STUDY

### CHALLENGE

This OHL customer is the world's largest designer and retailer of maternity apparel. After importing their products into the U.S. from all over the world, it sells them in the U.S. and in Canada through retail stores and online outlets. As provisioned by the U.S. Customs' duty drawback program, companies can recoup import duty fees on products that are subsequently exported out of the U.S. The process can be difficult and time consuming causing some companies not to reclaim the duty paid while some companies are just unaware of the opportunity.

### APPROACH

OHL met with the customer and developed duty drawback standard operating procedures and compliance manuals prior to filing duty drawback entries. OHL provides the customer with freight management services for its U.S. imports so detailed knowledge of the customer's products as well as access to specific documents required for such entries was already available. OHL handles duty drawback for the customer under summary export procedures in which entries are filed on a weekly basis instead of on every shipment. In addition, a one-time waiver project was initiated to secure duty drawback for exports made in the past but not claimed. This waiver, allowed by U.S. Customs just once, enables importers to recover duties within three years of export dating from the time the waiver is approved by customs. OHL also set up the customer with Accelerated Payment with U.S. Customs which allows the customer to receive their duty refund within 60 days and a Waiver of Prior Notice which allows the customer to export goods out of the U.S. without presenting to Customs for examination.

### VALUE

This customer now recovers more than 90% of its Customs duties. The Accelerated Payment and Waiver of Prior Notice with U.S. Customs allow the customer to receive duty refunds within 60 days instead of the average 500+ days waiting period and save them time and money by not having to process products through U.S. Customs.

### RETURN ON INVESTMENT

In addition to the time saved by the customer by setting up compliant procedures, handling U.S. Customs entries, and the hundreds of days saved for receiving their duty drawback, OHL helped the customer secure a refund in excess of \$400,000 through the one-time waiver project and over \$500,000 in summary export duty drawbacks in just one calendar year.