Descartes Customs Solution
Presentation Botlek Tank Terminal - Project

European Oil Storage - Conference
Amsterdam, January 28th & 29th 2014
Agenda

• Welcome & Introduction
• The Descartes Systems Group
  • Overview
  • Descartes Global Logistics Network
  • Descartes Solutions
• Customs Solution EU Brokerage
  • Customs Complexity EU
  • One Solution – Multiple Countries
• Descartes Customs Solution
  • Descartes Customs Landscape
• Botlek Tank Terminal – Descartes Customs Project
How We Drive Logistics Value

- **Automate** processes
- **Enhance** service
- **Improve** profitability
- **Ensure** compliance
Broad Array of Logistics Management Solutions

- Routing, Mobile & Telematics
- Transportation Management
- Network Services
- Customs & Regulatory Compliance
- Forwarder & Broker Enterprise Solutions
Introduction: Challenges EU Market

Customs Complexity

Different Systems / Member State

<table>
<thead>
<tr>
<th>Belgium</th>
<th>PLDA</th>
<th>NCTS BE</th>
<th>EMCS BE</th>
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<tbody>
<tr>
<td>The Netherlands</td>
<td>SAGITTA / AGS</td>
<td>NCTS NL</td>
<td>EMCS NL</td>
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<tr>
<td>Luxembourg</td>
<td>PLDA LU</td>
<td>NCTS LU</td>
<td>EMCS LU</td>
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<td>Germany</td>
<td>ATLAS</td>
<td>NTCS LU</td>
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<tr>
<td>France</td>
<td>DELTA</td>
<td>NCTS FR</td>
<td>EMCS FR</td>
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<td>United Kingdom</td>
<td>Chief</td>
<td>NCTS UK</td>
<td>EMCS UK</td>
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</tbody>
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Based on same EU legislation, however with different:
- Business Logic
- Message Formats
- Communication Protocols
- Certification Process
Descartes Customs Solution - Landscape

INTEGRATION

Smart Client(s)

Manual data entry and control

Local Archive

Company backend systems:
- ERP
- WMS
- TMS
- Tank Terminal Systems - others

LEGAL ARCH.

Company X
Location Amsterdam
Tank Terminal 1, 2, 3, ..

Company X
Location Rotterdam
Tank Terminal 1, 2, 3, ..

Company X
Location Antwerp
Tank Terminal 1, 2, 3, ..

FUNCTIONALITY

Pre-arrival

Import, Export, Transit, Report

Inspection Off.

Customs NL, BE, GE, ....

Inbounds, Outbounds, etc, and messaging to Customs via GLN

Interface:
- Connect
- Collect
- Transform

EMCS Declarations

Security:
- Customs
- Dangerous Goods

Fiscal Representation

Economic Customs Procedures
- IPR
- OPR
- Inbound / Outbound / Transfer / Handling

Economic Customs Procedures

Statistical Authorities

Tax Authorities

Customs Warehouse Framework

Free Warehouse

Excise Warehouse

IPR Warehouse

VAT Framework

INTEGRATION

FUNCTIONALITY

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Location Amsterdam
Tank Terminal 1, 2, 3, ..

Company X
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Company X
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Inbounds, Outbounds, etc, and messaging to Customs via GLN

Inspection Off.

Customs NL, BE, GE, ....

Descartes Customs Solution - Landscape
Print Documents

- Documents are created in .pdf and can be printed
  - SAD, EAD, e-AD, Following Letter (volgbriefje), ...
  - ATR, EUR1,T5
  - CMR
## GPA - Periodic Closing Descartes Customs Solution

### General Info
- **Period Until:** 31/12/2013
- **Final Periodic Closing:** ✔
- **Periodic closing report ID:** 75
- **Number Of Stock Records:** 27
- **Number Of Stock Record Transactions:** 66
- **Total Amount Of Gross Customs Duties:** 7265.42
- **Total OPR Amount:** 0
- **Total Amount Of Net Customs Duties:** 7265.42
- **Total VAT Amount:** 0
- **Total Antidumping Duties Temporary:** 0
- **Total Antidumping Duties Final:** 0
- **Total Equivalent Customs Duties:** 0
- **Sum Of All Transaction Codes:** 6565016
- **Sum Of All Customs Values:** 5251591.92
- **Record Layout:** Method 1
- **Status:** Closed

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**GPA file**

```
A281312110010040031-10647
A281312110010040031-109388
A281312110010040031-22953
A281312110010040031-15546
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A281312110010040031-22961
A281312110010040031-154800
A281312110010040031-22963
A281312110010040031-22965
```
Tank Terminal Process

Nomination – Order – Process – Outbound - Reporting

Inbound: invoices, values, certificates (GSP), etc.

Blending: blend definition, type of customs licence (financial consequences
Bonded:
Usual Treatment (Gebruikelijke behandeling)
IPR – Inward Processing Relief (AV/S)
PCC – Processing Under Customs Control (BOD)
Excise
Blending (Vervaardiging)
Etc.

Outbound (in combination with clearance)
Preparation:
Which lots
What certificate
Available stock (Stock-reconciliation between actual stock and customs stock)
Etc.

Customs regulations and compliance
Descartes Expertise Team / Project Approach

• **Descartes Customs Competence Center**
  – Customs Product Development Department
  – Customs Product Management Department
  – Customs Professional Services Department
  – Customs (24x7) Support Department

• **Descartes Project Approach – Phases / Deliverables**
  – Kick-off / Assessment Document
  – Blue Print / Blue Print Document
  – Application Set-up and configuration / Conf. Doc. Q&A Solution Instance
  – Data Migration / Data Migration Document
  – Training / Training Doc. (Manual)
  – Go Live / Configuration Document, Production Solution Instance
  – Project Management / PM Reports
Customs: member of project team

Project team

Customs

Client

Descartes
Generic Customs Management systems are designed to support generic and standard customs processes for mass production and discrete manufacturing companies.

The liquid bulk storage and trading industry has fundamentally other characteristics and requirements.

- 24/7 operation
- Standard operational gain/loss
- No customs intervention required from operation (handling by exception)

Proven Customs solution for the liquid bulk storage and trading industry.

No time consuming and expensive blue-printing and implementation process in explaining your business

Proven interfacing

Supporting multiple customs procedures

- Import / export / ncts
- EMCS
- Bonded Warehousing
- Excise Warehousing
A New Trend in Terminal Business
Project definition

- Quickscan done in 2009

- Conclusion of the quickscan was that the existing situation was not suitable for the new terminal in terms of:
  - Automation
  - Permits
  - Organization
  - Procedures
  - Security/Bonds

- Storage of complex products:
  - No boxes but Liters-15 and Kg’s; stock differences
  - Reconciliation of stock differences
  - Huge financial impact because of excise goods and risk of theft
Outcome; Multidisciplinary project:

- Automation:
  - Basic design for Duty Management System
  - RFQ for new DMS software
  - Selection of vendors of DMS software

- Permits:
  - Existing Entrepot-C has to become Entrepot-E
  - Excise Warehouse (AGP)
  - Blending license
  - Authorized Economic Operator (AEO)

- Organization:
  - Impact of customs – liability
  - 24/7 operation
  - Personnel and Training
Outcome; Multidisciplinary project -2

- Procedures:
  - Customs procedures
  - Integration of quality systems
  - AEO, ISO 9001, ISO 14001, ISO 2800, OSHAS 18000, GMP+

- Bond:
  - Significant increase of the customs bond
  - Maximum bond would be Euro 12 million
  - Significant reduction due to AEO

- Project Management:
  - Lead-time of 12 month
  - Completion of DMS linked to the completion of the terminal:
    - Small but critical and complex part
    - Pre-requisite for the start-up of the Terminal
    - Dependent on the issue of the customs permits
Basic design DMS

Pre-requisite was a completely automated DMS:

- Interface with the Terminal Management System
- Interface with the fiscal metering system
- Customs to be part of the Order to Cash process
- 24/7-operation
- Operators do not have to access the DMS
- Integration between different permits
- Reconciliation of differences (kg/ltr)
DMS selection

- None of the vendors could fulfill all requirements:
  - Standard solution
  - Future proof

- Choice was made for Descartes based on:
  - WCO-model of Descartes
    - Fast mapping of the interface
  - Tailor made solution for the interface with Terminal Management System
  - Future proof
Conclusion:

BTT has realized a state of the art solution with Descartes:

- AEO compliant
- Entrepot E, Excise warehouse and blending
- Fully automated:
  - Handshake linked to the TMS
  - Operations does not have to access the DMS
- Future proof

Allowing BTT:

- To be in control of the customs processes and thus minimizing the risks
- To offer customs services to their customers