

CASE STUDY

Valuation Audit Preparedness

FMCG Exporter — Multi-Market

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AT A GLANCE	
Client:	Fast-moving consumer goods (FMCG) exporter
Challenge:	Customs authority query on transfer pricing and customs valuation methodology
MyCustomsInfo™ Solution:	Valuation documentation repository with linked declaration evidence
Outcome:	Valuation methodology accepted without adjustment; audit completed in half expected time

Background

An FMCG company exporting to multiple markets received a formal query from a customs authority regarding its customs valuation methodology. The authority was specifically interested in whether transfer prices between related entities were conducted at arm's length and whether royalties and licence fees had been correctly included in the customs value.

Valuation audits are among the most complex and high-value audit types, often involving detailed analysis of intercompany pricing agreements, financial records, and the relationship between transfer pricing for tax purposes and customs valuation.

How MyCustomsInfo™ Helped

- **Valuation Method Documentation:** MyCustomsInfo™ stored the company's customs valuation policy, transfer pricing study, and advance pricing agreements in a centralised document repository, linked to the relevant declarations.
- **Transaction-Level Evidence:** For each declaration, MyCustomsInfo™ held the commercial invoice, the intercompany pricing schedule, and any adjustments applied (assists, royalties, buying commissions). Auditors could trace from declaration to source document in a single click.
- **Reconciliation Reports:** MyCustomsInfo™ generated reconciliation reports comparing declared customs values against transfer pricing documentation, demonstrating consistency and arm's length compliance across the audit period.

Result

The customs authority accepted the valuation methodology without adjustment. The auditors noted that the level of documentation and traceability provided significantly expedited the audit process, which concluded in half the expected timeframe.

“The auditors told us it was the most comprehensive valuation evidence package they had ever reviewed.”

— Director, FMCG Exporter