



Tariff Impact Modeling and Mitigation Strategies

Transforming tax.
Redefining connections.

2025 US Cross-Border Tax Summit



Tariffs: Responding to Business Disruption Through Tariff Modeling

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Agenda

Tariff Overview

- Overview of tariff and trade landscape

Tariff Modeler Demo

- How has company requirements evolved with the rise in tariff changes?

Panel Discussion

- Retaliatory Tariffs
- Globalization

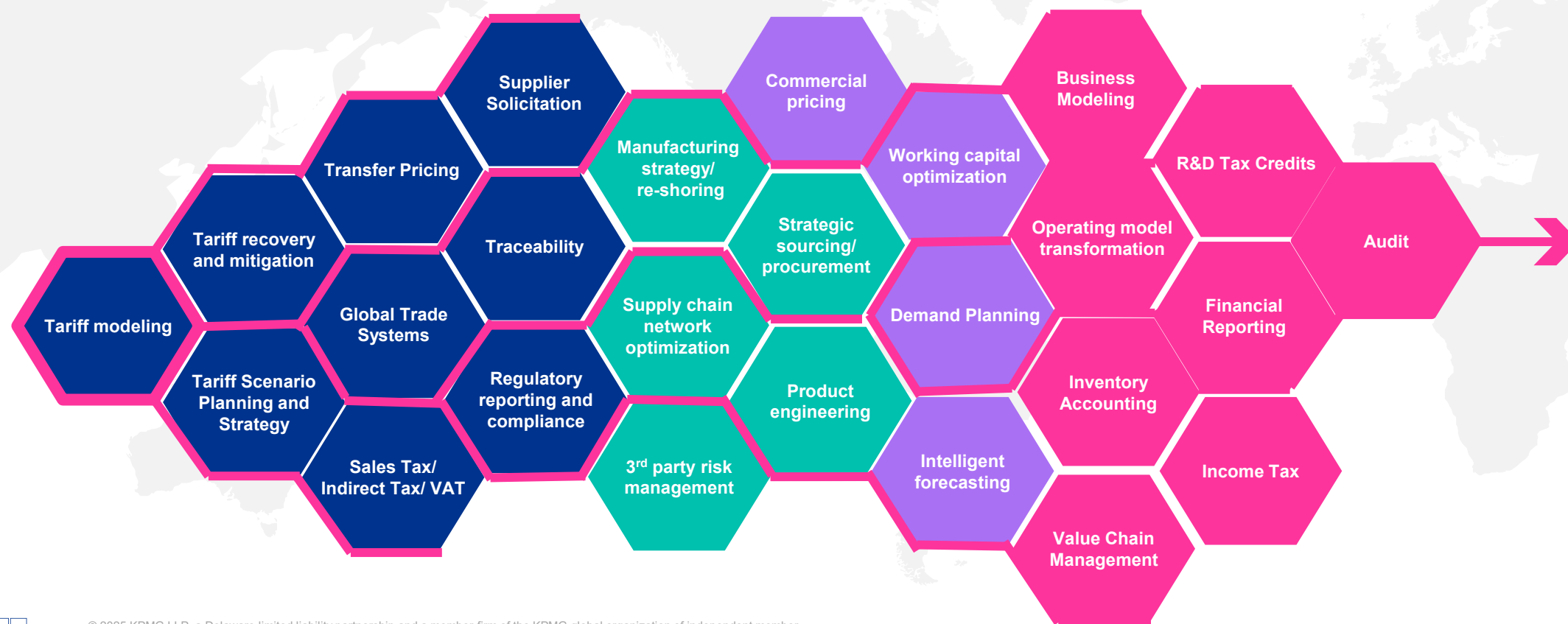
01

Tariff Overview

Overview of tariff and trade landscape

Tariffs are shifting market dynamics and changing competitive landscapes

Building visibility into your tariff exposure is just the start



Illustrative; not



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Tariffs are impacting everyone-eventually.

Dynamic Decision Making

How well prepared are you to address the impact on your supply chain, your products, and your competitive markets?

External Forces

- **Continued volatility** in US Policy and other jurisdictions' reactions are likely—accurate modeling remains critical
- **Demand dynamics** in each of your markets will change
- **Supply dynamics** in your core supplier networks will change

Outside / In

- Each of your **product markets** will be impacted differently
- Each **competitor's cost advantages** and weaknesses will shift
- Your **suppliers' exposure will vary**; some suppliers will not survive
- **Customer behavior** and preferences will evolve

Inside / Out

- **Supplier performance and health visibility** will be more important than ever
- Managing your **product costs and product position** will change your profit and share
- Estimating **financial impacts** will require more and better simulations
- Reshaping your scale advantages and **product designs will take time**

Optimizing for Tariff uncertainty

Managing disruption from tariffs requires a multifaceted strategy. By leveraging short and long term duty mitigation strategies, companies can optimize tariff liabilities and promote supply chain resiliency while enhancing their competitive edge in the global market.

First Sale for Export

Reduce duty costs by declaring customs value based on manufacturer's initial sales price rather than final price paid by the importer

Strategic Tariff Classification

Ensure precise and strategic classification to avoid overpayment and capitalize on favorable tariff treatments

Foreign Trade Zones

Defer duty payment until foreign merchandise leaves the FTZ for US Consumption

Valuation: Post Importation Refunds

Obtain duty refunds from retroactive downward transfer price adjustments which results in a reduced customs value

Country of Origin Planning

Plan and manage the country of origin for goods strategically to benefit from preferential trade agreements and reduced duty rates

Duty Drawback

Claim 99% refund of duties, fees and taxes paid on goods imported into the U.S. that are ultimately exported or destroyed (certain Tariffs are excluded)

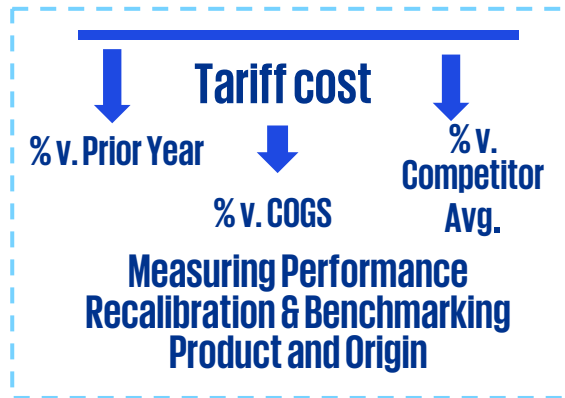
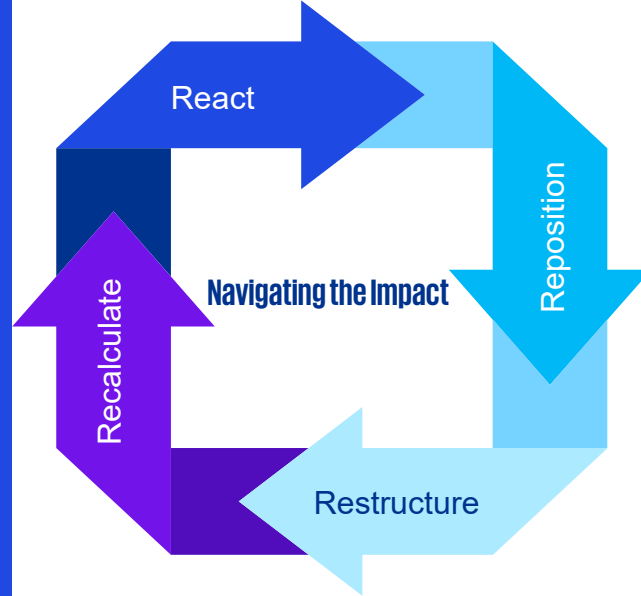
Cost Unbundling

Removing or "unbundling" elements from the declared customs price to facilitate a reduction in customs duties

Other Strategies

Bonded warehouses, Temporary Importation Bonds, Chapter 98

Navigating tariff impact: React, reposition, restructure, recalculate



React

25% - 30%

- Custom Valuation
- USMCA
- Inventory Pull Forward

Reposition

30% - 40%

- Product Engineering
- Component Resourcing
- SKU Rationalization

Restructure

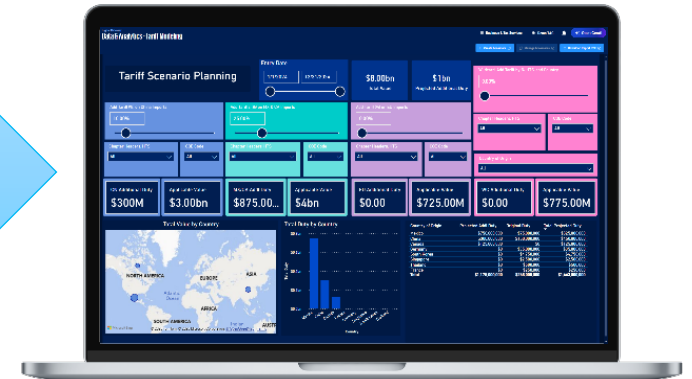
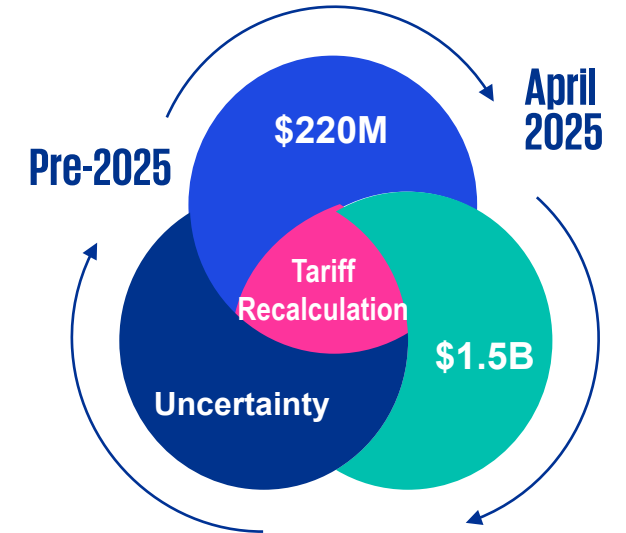
40%+

- Production Facility Relocation
- Digital Center of Excellence
- Finance Transformation

Recalculate

Uncertainty

KPMG Tariff Modeler



02

Tariff Modeler Demo

How has company requirements changed evolved with the rise in tariff changes?

03

Panel Discussion

Retaliatory Tariffs and Globalization

04 Q&A



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