CUSTOMS AND TRADE

Customs and Trade Tax Review

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FY2025 | Prepared for the fictional management team | 3 October 2026

Executive assessment

Resolve product classification and the customs-value bridge before approving the landed-cost model. The sample shows a 0.80 million duty sensitivity under an assumed 5% rate; the legal classification and tariff are not verified.

The fictional shipment has commercial value of IDR 1,000 million, freight of 40 million and insurance of 10 million. Management uses a declared value of 1,034 million, while the working commercial bridge totals 1,050 million. Product descriptions in the purchasing and import files are inconsistent.

Priority	Matter requiring a decision	Current evidence position
High	Product identity is inconsistent	Open for professional review
High	Value bridge contains an unexplained difference	Open for professional review
Medium	Origin preference is not evidenced	Open for professional review

This is a worked sample, not an issued client opinion. All companies, transactions, evidence records and calculations are fictional. The recommended actions demonstrate professional delivery; they do not establish a tax liability, filing eligibility, benchmark or regulatory approval.

Scope and analytical method

Purpose and intended use

The purpose is to help the fictional management team understand the evidence, the decision still required and the work needed to complete a defensible deliverable. The report is intended for internal discussion with the responsible Falcon professional. It is not a filing, an audit opinion or a guarantee of an authority outcome.

Work performed in the illustrative case

- Product classification and technical evidence
- Commercial to customs value reconciliation
- Origin and preferential treatment support
- Import tax and landed-cost controls

Trace the product to technical specifications and actual use, determine the applicable classification framework, and reconcile value components to the shipment terms and originals. Analyse origin and preference separately from shipment country. Preserve the official exchange rate and applicable rule for the actual declaration date.

Evidence population

Ref	Illustrative record	Role in the analysis
E01	Technical product and commercial file	Starting population and primary bridge
E02	Import declaration and classification record	Classification and factual support
E03	Freight insurance and shipment terms	Exception or corroboration testing
E04	Declared value and origin evidence	Decision history and completion support

The references are report-local training identifiers. They are not verified originals, app record IDs or hashes. No real client files were inspected. A live engagement must preserve the actual originals, their versions and the reviewer's assessment of each material claim. The descriptions above define the evidence that the case assumes or explicitly identifies as missing.

Coverage and limitations

Only the stated sample scope is covered. The report does not infer completeness of other entities, years, transactions or tax types. Where the record is incomplete, the analysis identifies the limitation rather than treating management's explanation as verified evidence. Any estimate remains subject to factual validation, current legal applicability and independent review.

Detailed findings and professional response

Priority is a qualitative judgement about the importance of resolving an issue before delivery. High means that the matter could change a material conclusion or prevent completion. Medium means that a control or corroboration improvement is required. These labels are not a probability of assessment or a calculated tax exposure.

Finding 1 Product identity is inconsistent

High priority. E01 describes an integrated production unit, while E02 uses a generic parts description.

Professional implication. Classification cannot be validated from abbreviated descriptions alone.

Recommended response. Obtain drawings, specifications, invoices and use descriptions and seek specialist classification review.

Finding 2 Value bridge contains an unexplained difference

High priority. E03 totals 1,050 million while E04 records 1,034 million.

Professional implication. The 16 million difference could affect import charges if it changes the legally determined value.

Recommended response. Reconcile freight, insurance, terms and any additional relevant components to originals.

Finding 3 Origin preference is not evidenced

Medium priority. The shipment file identifies the dispatch country but has no complete origin support.

Professional implication. Dispatch location does not itself establish preferential origin.

Recommended response. Review the applicable agreement and valid origin documentation before applying a preference.

Counteranalysis and judgement

An incomplete record is not proof that the taxpayer's position is wrong. Equally, an invoice, signed agreement or plausible narrative does not establish every factual or legal element. The reviewer should test alternative explanations and record what evidence would change the assessment. Preserve both supportive and adverse material so that the final conclusion remains balanced.

Financial analysis and decision alternatives

The schedule below makes the numerical reasoning reproducible. All inputs are fictional. The calculation basis states whether a value comes from the assumed record, a formula or an explicit scenario parameter. Figures should not be copied into a live return or used as a benchmark.

Measure	Illustrative result	Calculation basis
Commercial value	1,000	E01
Freight	40	E03
Insurance	10	E03
Working value bridge	1,050	1,000 plus 40 plus 10
Declared value in sample	1,034	E04
Unexplained difference	16	1,050 minus 1,034
Illustrative duty sensitivity	0.80	16 multiplied by assumed 5%

Amounts are IDR million. The 5% duty rate is a sensitivity assumption only, not the tariff for the product. The bridge does not decide customs value, classification or preferential treatment and excludes other import taxes and charges. Confirm the actual rules and declaration currency before estimating a liability or correction.

Alternatives for management discussion

Alternative	Practical rationale	Condition before adoption
Correct product documentation	Improves classification evidence	Does not itself determine the code
Reconcile declaration values	Clarifies the 16 million difference	Treatment needs customs review
Assess origin preference	Tests a potentially available route	Requires the actual agreement and originals

Management should compare the alternatives using verified facts, operational feasibility and the applicable legal analysis. A more favourable numerical scenario is not evidence that its assumptions are valid. The report therefore recommends completing the unresolved work before selecting a final tax position or an external action.

Recommendations and delivery plan

The following sequence is an illustrative internal work plan measured from engagement kick-off. It is not a statutory timetable. Any external response or filing date must be verified separately and may require faster escalation. The engagement partner remains responsible for the scope and resources agreed with the client.

Work step	Responsible role	Indicative timing	Completion evidence
Confirm scope and procedural facts	Engagement lead	Days 1 to 2	Approved scope and verified external date where relevant
Resolve finding 1	Client finance and Falcon adviser	Days 2 to 5	Original evidence and documented resolution or scope limitation
Resolve finding 2	Technical workstream lead	Days 3 to 7	Originals and approved technical treatment
Resolve finding 3	Client owner and Falcon adviser	Days 3 to 8	Reviewed action and completion evidence
Review analysis and computations	Independent Falcon partner	After evidence closure	Documented challenge and approved current version
Authorise delivery and preserve receipts	Engagement lead and client signatory	After professional approval	Final report version and any external acknowledgement

Escalation and change control

Escalate immediately if an actual external date is near, an original contradicts the working facts, the legal framework changes, or the proposed action exceeds the authorised scope. New evidence can change the recommendation. Update the affected calculations, issue analysis and report version, and obtain fresh independent review where the conclusion has changed.

Client communication

Tell the client what is established, what remains uncertain and what they must supply or decide. Explain how missing evidence limits the deliverable. Obtain approval of the final audience and language. Preserve the distinction between internal review, client delivery and authority acceptance.

Technical references and completion record

The official references below were located on 3 October 2026. They are starting points for a real technical review, not a representation that every operative article, amendment, treaty or transitional provision has been checked. No quoted legal passage or current statutory rate is relied on to decide this fictional case.

Import administration starting point

Directorate General of Customs and Excise import guidance - Service guidance does not determine the product code, valuation, origin, exchange rate or tariff for a shipment.

Open official reference

Indonesian tax administration

PMK 81 of 2024 and amendment history - The JDIH page lists amendment history including PMK 1 of 2026. Retrieve applicable originals and check all later amendments before use.

Open official reference

Required legal applicability record

For each material position, retain the original provision and exact article, authority and version, effective dates, relevant amendments and the reason it applies to the client's facts and period. Record competing interpretations and the specialist's conclusion. Official service pages and OECD guidance have different authority from domestic legislation and treaty text.

Independent completion checks

- The client identity, period and authorised scope match the actual engagement.
- Every material statement is traceable to the original record and preserves any contradiction.
- The calculations are independently reperformed and assumptions are distinguished from legal rules.
- The applicable law and source history support the conclusion for the actual period.
- A different qualified Falcon reviewer records the judgement and material limitations.
- The client authorises the intended delivery and any separate external submission is evidenced.

Sample status: not approved for client issue. No preparer, reviewer or client signature is simulated. Replace the fictional dataset and complete the real engagement review before using this document as a delivery model.