



Webinar / 11 December 2025

Customs duties and taxation

How to take into account the new operating environment of international trade when designing a transfer pricing model?

Few practicalities

Online events and webinars

- Participants' cameras and microphones are turned off during the presentation.
- **Questions and comments** can be sent in the chat during the webinar.
- The **recordings and presentation materials** from the webinars will be available on our website.
 - There you will also find our upcoming events:
www.svalneratlas.com/fi/tapahtumat



Speakers for today



Petteri Rapo

Managing Partner (Finland)

petteri.rapo@svalneratlas.com

+358 44 333 7252



Markku Renko

Partner, International Corporate Tax

markku.renko@svalneratlas.com

+358 44 500 5071



Milad Samadi

Senior Manager, Customs

milad.samadi@svalneratlas.com

+46 70 424 84 53



Agenda / 11 December 2025

Customs duties and taxation – How to take into account the new operating environment of international trade when designing a transfer pricing model?

- Introduction to customs duties
- Basic principles of designing an optimal transfer pricing model
- Case study
- Svalner Atlas service offering in relation to customs



Svalner Atlas

Advisors



5

countries

7

offices

400+

professionals

Offices

Stockholm

Amsterdam

Helsinki

Copenhagen

Oslo

Gothenburg

Turku

+ Global partner network covering
more than 150 countries





Tax

- Corporate tax
- Customs & excise duties
- Employment & compensation tax
- Global indirect tax
- Global mobility
- M&A tax
- Private clients & owner-managed businesses
- Private equity & funds
- Real property taxation
- Tax accounting
- Tax compliance
- Tax litigation
- Transfer pricing

Transaction & strategy

- ESG
- Financial due diligence
- Strategic advisory
- Valuation & business modelling

Other services

- Accounting
- Fund administration
- Legal

Trusted Advice. Local Strength. Global Reach.



Why Svalner Atlas__

We offer the strength of a large international firm with the focus and independence of a specialised advisory group. Our specialists across the Nordics and Benelux provide seamless, cross-border advice in tax and transactions, backed by deep local knowledge, technical excellence, and commercial insight.

What sets us apart__

Independent and partner-led advice.
Deep expertise across all tax and transaction disciplines.
Strong local presence, seamless international delivery.
Trusted by global corporations, investors, and entrepreneurs.



Introduction to customs duties

Customs team



Milad Samadi

Senior Manager, Svalner Atlas
Advisors, Göteborg

Three focus areas:

Litigation
Advisory
Lobbyism



Overall strategy:

Move from compliance to strategic resource



- What is a tariff?
- How is it calculated?
- Commodity code (HS no),
- Country of origin
- = tariff x Customs value – articles 70 – 74 UCC
- Other regulatory burdens:
- CBAM/EUDR/Battery compliance directive/product safety/public procurement/export control, etc.





USA

Good lesson in basic customs

- Trade balance?
- Inequality? (VAT-argument)
- Views on international trade
- Who is the ultimate debtor?
- American cars?
- Long term effects? (Case study China)

$$\Delta\tau_i = \frac{x_i - m_i}{\varepsilon * \varphi * m_i}.$$

ε is the “import elasticity” with respect to import prices, in plain english: how sensitive customers are to higher prices, and the value was set to 4.

Then φ was used to represent the pass-through from tariffs to import prices, in plain Swedish: how likely it is that prices will increase, and the value was set to 0.25.

Problem: Trade balance, generality, “American cars”, VAT, views on international trade, long-term perspective (China case).



Customs value – calculations and overlap to TP

- Basis for tariffs
- The interplay between customs, tax and TP
- Customs valuation methods
- Practical handling (in Sweden)
- Case law
- Future with BVD (2027)





Basic principles of designing an optimal transfer pricing model



Arm's length transfer pricing guarantees a *fair distribution* of taxing rights among the jurisdictions where a multinational company operates, accurately representing the value each local unit contributes according to the key **functions**, **assets**, and **risks** attributed to them.



Designing an optimal transfer pricing model

Characteristics of an optimal model

- **SUITABILITY:** Considers the facts, the parties' roles, and operational profiles
- **FLEXIBILITY:** Allows adaptation to business changes
- **SIMPLICITY:** Provides a clear, understandable, and transparent framework
- **SUSTAINABILITY:** Helps ensure adequate tax certainty (e.g., through advance procedures)
- **TAX EFFICIENCY:** Enhances the group's effective tax rate and cash tax management
- **LIGHT ADMINISTRATION:** Reduces the internal administrative workload



Designing an optimal transfer pricing model

Design process stages

1. Determining the facts, including the circumstances of the parties and current conditions
2. Conducting an analysis of the operational and value chains
3. Recognizing and outlining internal transactions
4. Evaluating the appropriateness of both internal and external pricing approaches
5. Confirming compliance with the arm's length principle

- Additional factors to consider
 - Legal and organisational framework
 - Other tax-related issues (such as withholding taxes, VAT, customs duties)
 - Financing arrangements (whether internal or external)
 - Intangible assets
 - Contracts (both internal and external)
 - ICT and essential reporting systems
 - Human resources and management incentives
 - Documentation and reporting requirements (e.g., DAC6)
 - ...



Designing an optimal transfer pricing model

Transfer pricing & customs – Fundamental conflict of interest

Conflict of interest	TRANSFER PRICING	CUSTOMS
Interest of the authority	Low purchase price, higher margin, and higher taxable income	High purchase price, high customs basis
Documents subject to review	Transfer pricing documentation or annual tax return	Single customs declaration (plus contracts, etc.)
Time of review	Retroactively, e.g., during a tax audit	At the time of import (post-clearance audits possible)
Target of the investigation	Often the legal entity, i.e., the taxpayer	Pricing of a specific batch of goods at a given point in time
Methods	Acceptable level of business margins (e.g., EBIT)	Comparison of the commercial value of goods to similar products
Point of view	Broad scope: business models, goods and service flows	Narrow scope: price/value of a single batch of goods
Scope of the assessment	Overall picture: operating model, tangible and intangible assets, services	Primarily narrow: only the characteristics of the goods
Adjustments	Annual transfer pricing adjustments, possibly via a single invoice	Goods-/value-specific adjustment



Designing an optimal transfer pricing model

Potential means for customs value and tariff mitigation planning

- (Downward) Adjustments to operational pricing
- Separation of dutiable and non-dutiable elements of offering (e.g. tangible product vs. related service / software)
- Transaction chain optimization (to enable utilization of First Sale for Export / FSFE rules in the US) vs. supply chain restructuring



Case study



Case study

Importing hardware & software goods to the US

Background

- **Example Group designs, produces and markets industrial vacuum cleaners.**
 - In addition to the product (hardware) and related supplies & accessories, the offering includes software licenses enabling autonomous cleaning operations.
- The **key group companies** and their **functional profiles** are as follows:
 - **Company A (Denmark)** acts as a principal entity, responsible for product development and strategic management. Owns the key intangibles and assumes key business risks.
 - **Company B (United States)** is responsible for sales and marketing activities in its local region and handles distribution of products and related software. Contracts and invoices the local clients.

Transfer pricing & customs considerations

- Distribution of goods vs. distribution of software
- Determination of appropriate transfer pricing models based on functional and value contribution analysis
 - Centralized vs. decentralized model
- Implementation of transfer pricing model:
 - Transactional pricing vs. profit validation
 - Operational pricing vs. true-ups
- Customs valuation: separate hardware & software vs. embedded offering
 - To what extent the software is essential to the hardware?
 - How intertwined the purchase of the two are?
 - Is the purchase of the software a condition for the purchase of the hardware?



Svalner Atlas service offering in relation to customs



Service offerings

Customs

- **Customs Authorizations** – for special customs procedures that enable reduction and deferral of duties.
- **Advisory Services** – strategic and practical advice at all levels of the business, internal audits of customs management to enable cost-effective and compliant customs structures, including for AEO authorization holders.
- **Origin Determinations** – to establish the customs origin of goods and the impact through input materials and degree of processing.
- **Goods Assessment** – for correct classification, customs value, application of free trade agreements, and delivery terms.
- **Customs Guarantees** – review of the size and form of customs guarantees for cost savings through increased liquidity and reduced capital expenditures.
- **Management, reporting, and strategies for other trade regulations** such as CBAM (charges on carbon-intensive goods), the Battery Regulation (compliance for industrial batteries), product safety rules, and electrical safety regulations.
- **Disputes with Authorities** – legal proceedings against government decisions related to trade.



Q&A



Highlights from past webinars

Sisäinen rahoituksen siirtohinnoittelu

Webinar recording

Kansainvälisen projektitoimituksen tehokas hallinta

Webinar recording

EU's ViDA reform (VAT in the Digital Age) and its practical impact on VAT

Webinar recording

Tilinpäätöksen verosuunnittelu

Webinar recording

Avainhenkilöiden sitouttaminen kasvuyhtiössä

Webinar recording

Upcoming events: www.svalneratlas.com/fi/tapahtumat

Thank you for your time!

Petteri Rapo, Managing Partner (Finland)

+358 44 333 7252 | petteri.rapo@svalneratlas.com

Markku Renko, Partner, International Corporate Tax

+358 44 500 5071 | markku.renko@svalneratlas.com

Milad Samadi, Senior Manager, Customs

+46 70 424 84 53 | milad.samadi@svalneratlas.com

