



UNIVERSITY OF GOTHENBURG

SCHOOL OF BUSINESS, ECONOMICS AND LAW

Deficiencies within customs management

An exploratory case study about how a MedTech company can improve their customs management.

Master's Degree Project in Logistics and Transport Management

Graduate school at School of Business, Economics and Law at the University of Gothenburg

Spring 2023

Supervisor: Elisabeth Karlsson

Authors: Anna Götborg and Josefina Rogestedt

Acknowledgement

First, we would like to thank our supervisor at Gothenburg's University, Elisabeth Karlsson for her valuable feedback and support while writing the thesis. We would also like to thank our opponents from our university. During the process, we have received very valuable feedback from them which has been a great help.

Further, we would like to send our gratitude to our case company which has enabled us to conduct this interesting case study. More specifically, we would like to thank our supervisor at the case company. Thank you for your guidance, weekly meetings and genuine care for us and our thesis. Your great support has made this journey truly interesting and valuable.

Last but not least, we would like to thank our respondents; David Hellsing from Customer Adviser, Malin Madsen from Gerlach Sweden AB, Marie Magnusson from the Swedish Customs, Peter Hellman from the West Sweden Chamber of Commerce and Marlene Andersson and Almir Cerimagic from JAS Worldwide Sweden AB, for giving their precious time and insights to this thesis.

Anna Göteborg & Josefina Rogestedt

Abstract

World trade values have increased extensively during the last decades. Customs is a fundamental part of global trade, and this puts pressure on companies to be aware of procedures and related regulations. However, it has been found that knowledge about central customs procedures often is lacking at companies and that these matters often are deprioritised. This is troublesome due to companies' extensive responsibility over customs declarations.

The aim of this study has been to get a deeper understanding of where customs management commonly is deficient at companies in general, and at the case company in particular, and how the deficiencies could be addressed. The study was conducted at a medium sized MedTech company located in Sweden. Qualitative data was collected through interviews with respondents, both at the case company and other actors involved in customs matters.

Deficiencies within the customs management at the case company were found, such as insufficiently updated information, too few resources allocated for customs and a lack of routines for monitoring purposes. The identified improvement potentials revolved around coordinating and monitoring processes, to ensure that accurate information will be used. The findings from interviewees outside of the case company indicated that there was an alignment between the deficiencies at the case company and common deficiencies at companies overall. This implies that the findings could be generalised to a broader context.

Key words: customs, customs procedures, customs management, deficiencies within customs, internal monitoring, coordinating measures.

Table of contents

1. Introduction.....	1
1.1 Background.....	1
1.2 Problem description and analysis.....	3
1.3 Case company	4
1.4 Purpose.....	5
1.5 Research questions.....	5
1.6 Delimitations.....	5
2. Literature review	6
2.1 Commonly discussed topics within customs	6
2.2 Companies' reputation affected by customs	6
2.3 Lack of knowledge regarding cross border operations	7
2.4 Development of customs.....	8
2.5 Managing lacking customs procedures	8
2.6 Research gap	9
3. Methodology	10
3.1 Paradigm and process of the research	10
3.2 Purpose of the research	10
3.3 Logic of the research.....	11
3.4 Case study	11
3.5 Data collection	12
3.5.1 Secondary data	13
3.5.2 Primary data	15
3.6 Data analysis	20
3.7 Methodology discussion	21
3.7.1 Ethical aspects.....	21
3.7.2 Validity	22
3.7.3 Reliability.....	23
4. Theoretical framework.....	24
4.1 Importation and exportation.....	25
4.1.1 Definition	25
4.1.2 Common procedures	26
4.1.3 Customs duties	27
4.1.4 Value added taxes	31

4.2 Customs actors	31
4.2.1 Customs Unions	31
4.2.2 National customs administrations	32
4.2.3 Customs brokers.....	32
4.2.4 Freight forwarders.....	33
4.3 Alternative customs procedures	33
4.3.1 Transit	33
4.3.2 Outward processing.....	34
4.3.3 Temporary admission.....	34
4.4 Regulations for customs.....	34
4.4.1 Customs laws	34
4.4.2 Incoterms®.....	35
4.5 Certificates	37
4.5.1 Supporting documents and power of attorney	37
4.5.2 Economic Operator Registration and Identification number	38
4.5.3 Call me-codes.....	38
4.5.4 Import and export restrictions and dual use	38
4.5.5 Certificates for origin	38
4.5.6 Proof of export	39
4.5.7 Outward processing.....	40
4.5.8 Authorised Economic Operator	40
4.6 Supply chain management	40
4.6.1 Customs and supply chain management	42
4.7 Information, knowledge and communication	42
4.8 Risk management.....	43
4.9 Cost of customs.....	44
4.9.1 Implication of customs duties	44
5. Current state at the case company	45
5.1 The supply chain.....	45
5.2 Incoterms®	46
5.3 Classification of goods.....	47
5.4 Origin of goods	48
5.5 Customs Valuation.....	48
5.6 Internal monitoring	48
5.7 Value added taxes	49
5.8 Certificates	50

6. Empirical findings and analysis	51
6.1 Incentives for customs management	51
6.2 Responsibilities	52
6.2.1 Involvement of customs broker.....	53
6.2.2 Internal monitoring	54
6.3 Complexity.....	55
6.4 Changes regarding customs	57
6.5 Knowledge	58
6.5.1 Holistic thinking.....	59
6.5.2 Customs procedures	60
6.6 Time aspect	61
6.7 Specific customs procedures	62
6.7.1 Determining customs duties.....	62
6.7.2 Transit	65
6.7.3 Certificates	65
6.8 The finding's applicability	67
7. Reflection.....	69
7.1 Limitations	69
7.2 Generalisability	69
8. Conclusions.....	70
8.1 Future studies	71
9. References.....	72
Appendix I	86
Appendix II	88
Appendix III.....	89
Appendix IV.....	90
Appendix V	91
Appendix VI.....	92

List of figures

Title	Page
Figure 1. Customs costs.	4
Figure 2. Research gap.	9
Figure 3. Summary of the data collection.	13
Figure 4. Procedure of collecting primary data.	15
Figure 5. Summary of the theoretical framework.	24
Figure 6. Importation and exportation.	26
Figure 7. Transaction value method.	28
Figure 8. Classification of goods.	29
Figure 9. Transit procedure T1-transit.	34
Figure 10. Seven Incoterms® for all modes of transport.	36
Figure 11. Four Incoterms® for sea and inland waterway transport.	36
Figure 12. A generic supply chain.	41
Figure 13. Trader's costs associated with customs reforms.	44
Figure 14. Refinement process with external manufacturer.	45

List of tables

Title	Page
Table 1. Interviews.	19

1. Introduction

In this chapter, the topic of the report is presented, followed by a problem discussion and a description of the case company. This leads up to the purpose of the report, followed by the research questions that this thesis aims to answer. Lastly, the delimitations of the thesis are acknowledged.

1.1 Background

International trade could be described as the act of taking goods and services across borders and there are several reasons why nations trade with each other. Products of higher quality and lower prices abroad are two incentives for companies to trade over borders. Trade between nations with a similar level of industrialization and wealth is also common. Geographically, trade is common within Europe. Besides this, Europe also has trade with Asia and the US. The extensive trade within Europe could to a large extent be explained by the great geographical proximity between the countries. Also, the import tariffs are non-existing or low between countries which are part of the European Union (EU), which contributes to a high level of trade within this geographical area. Over time, international trade changes due to different trade barriers. For example, varying costs for international trade, including tariffs and transportation costs, could influence the amount of international trade being conducted. However, there is a clear trend towards an increasing amount of international trade being conducted (Feenstra & Taylor, 2021). Statistics from the World Trade Organization (WTO) show that, compared with 1950, world trade values 2022 had increased by 400 times (World Trade Organization, n.d.).

Operating as a single market, the EU is described as the largest economy in the world with increasing trade with the rest of the world. Due to an increased globalisation, a product composed with components from different parts of the world is becoming more and more common. The increased global trade that this leads to requires trade agreements that contribute to economic growth and job creation. Of all the imports to the EU, two thirds consist of components, raw materials or intermediary goods which are used by the EU manufacturers (European Commission, Directorate-General for Communication, 2016).

One of the necessary procedures related to international trade is customs. Customs is a system that has existed for thousands of years. Where the first customs took place is yet unknown, however it has been encountered already in the early years of the ancient world. The two fundamental requirements for customs to be possible have been trade and the existence of a public authority (Hironori, 2003). The initial use and idea of customs was to provide revenues to cities (Nationalencyklopedin, n.d.; Grainger, 2016; Widdowson, 2007; European Commission, n.d. p) and to enforce trade prohibitions (Grainger, 2016; Widdowson, 2007). Additionally, to customs being a source of income to governments, customs is also a way to protect domestic production and consumption (Nationalencyklopedin, n.d.). Regardless of which region and what time throughout history, customs have been an efficient and popular way for rulers to collect money (Hironori, 2003).

Over the years, the role of customs has expanded and has evolved to cover more than solely fiscal topics (European Commission, n.d. p; Widdowson, 2007). Internationalised crime, more global trade and threats of terrorist attacks have created a need for measures to increase and maintain safety and security within global supply chains (European Commission, n.d. p). These actions are aimed to conquer organised frauds, terrorism and crime, but also making sure that product compliance requirements are followed and political collaborations are fulfilled correctly (Widdowson, 2007).

From a business perspective, questions regarding customs have commonly been delegated to peripheral specialists within the topic, instead of being taken care of by the top management (Appeals & Struye de Swielande, 1998). One of the reasons why it has been deprioritised by top managers is that domestic markets have been larger than international ones, and therefore the customs procedures have been deprioritised along with the international market. There has also been low realised connectivity between important business issues and customs issues, and lastly too much related to bureaucracy (Appeals & Struye de Swielande, 1998). The work that customs managers carry out today is related to logistics support, supply chain management and regulatory compliance, which indicates that the role of customs department in a company will have implications for the operational flow of goods, as well as other functions leading to the summed-up profitability of the company (Grainger, 2016). Grainger says that “...*managers are often drawn between allocating time and effort to reducing costs, safeguarding compliance and developing strategic capabilities*” (2016, p. 17).

According to Appeals and Struye de Swielande (1998), it is important to give the customs clearance department a proper place in a business and view it as an important function to reach the business’ overall goal. Moreover, it is important to assign the issues of customs to adequate staff which possess the required knowledge of the topic (Appeals & Struye de Swielande, 1998). The benefits of reformed customs procedures are less variation in costs and lead time, and also an overall reduced level of ditto (Haughton & Desmeule, 2001). Moreover, decreased uncertainty because of good customs management leads to more accurate production planning, at the same time as the costs of logistics will be more well-managed (Haughton & Desmeule, 2001). Volpe Martincus et al. (2015) emphasise the importance of the time aspect in trade. Due to diverse trends in society, the time aspect within trade is increasingly crucial. An overall willingness to decrease inventories is seen in the principles of lean retailing and just-in-time principles. These trends put a lot of emphasis on timely deliveries as delays could cause costly disruptions in production processes. Based on this overall emphasis to create time efficient trade processes, customs procedures become an important topic as it is a requirement for all international trade. Customs procedures take time, and if customs-driven delays occur, a company can experience a negative effect on their foreign sales. The delays could lead to reduced foreign trade as shipments are not shipped and delivered in time (Volpe Martincus et al., 2015). The great importance of efficient customs procedures are also supported by IRU

which claims that customs procedures can account for up to 57% of the transport time in case of inappropriate procedures, from a global perspective (IRU, 2018).

1.2 Problem description and analysis

Despite the crucial function of customs within supply chains, there seems to have been a lack of knowledge within the topic over the last years. Haughton and Desmeules (2001) imply that customs authorities have received proportionally little acknowledgement, regarding costs and time, despite its evident importance throughout supply networks. According to Sawhney and Sumukadas (2005), there is a gap between the established importance of customs clearance in the logistics networks, and the existing literature on the topic. Further, Coyle et al. (2014) describe that the private sector generally has a lacking knowledge about customs and Grainger (2016) claims that the topic of customs has to a great extent been neglected and overlooked also in the business world.

Another publication which indicates that the overall knowledge about customs is lacking is an article published by the customs service company KGH Customs Services, which provides customs services in the EU. According to KGH Customs Services (2017), the area of customs is incorporated into companies' core business in an inadequate way. With a manufacturing company as an example, it was found that the customs knowledge was unevenly distributed within the organisation. The company, that KGH had supported, pursued operations outside of the EU but despite this, overall knowledge about customs procedures was lacking. Deficient knowledge of customs within an organisation often leads to negative consequences for the company, such as additional and unnecessary costs. The company that was investigated by KGH, paid unnecessary costs which placed them in a position where they could lose competitive advantages (KGH Customs Services, 2017). With simple means, companies can improve their business through more efficient customs procedures. KGH Customs Services mentions that “... *special customs procedures give companies some very low hanging fruit if they want to cut costs and boost business.*” (2017, Why special customs procedures need to become standard business practice).

Furthermore, KGH Customs Services has presented an overview where they acknowledged the fact that costs related to customs are much larger than anticipated at first glance, comparable to an iceberg. Additionally, to the customs duties, operational costs, cost of compliance as well as lost business opportunities are important to consider too, when estimating the total cost of customs (KGH Customs services, n.d.). In Figure 1 below, there is a compilation of how customs can be looked upon in terms of costs.

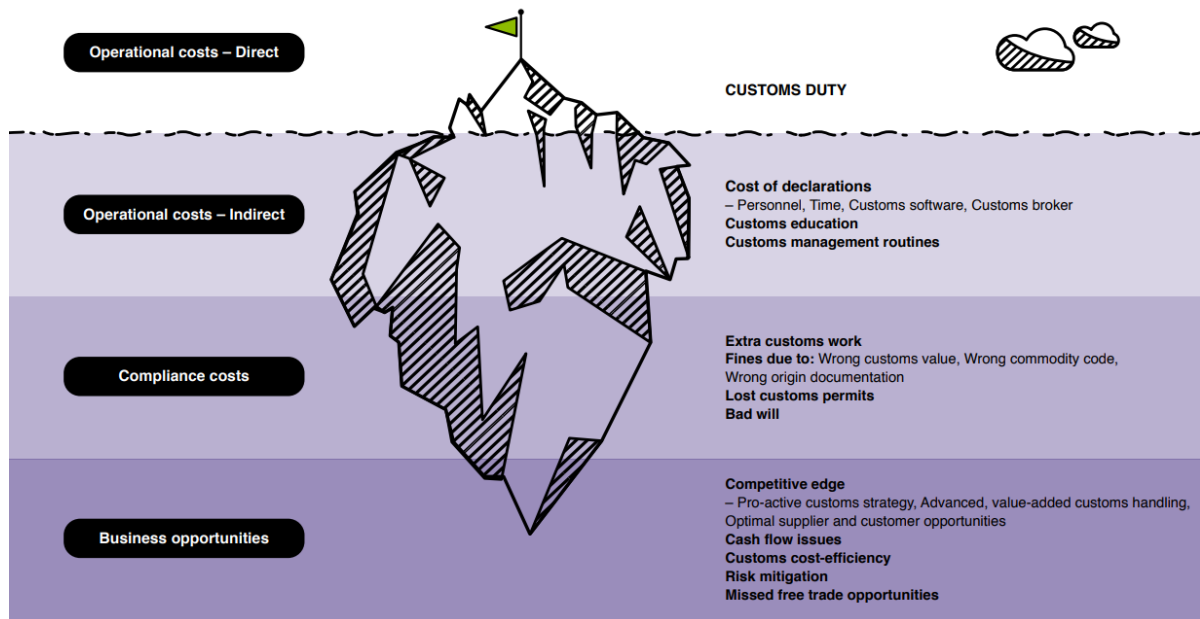


Figure 1. Customs costs (KGH Customs service, n.d. a).

One case when large fines were needed to be paid was when Motives had to pay \$13.4 million due to a committed scheme of double invoicing to avoid customs duties (Hamill, 2016). Moreover, smuggling, which is when customs laws are intentionally broken, is according to the Swedish laws such a severe crime if intentionally committed, that prison is a possible punishment on the penalty scale (SFS 2000:1225 3 §).

With all this being said, customs is a function within a company that certainly can support a business and contribute to strategic advantage, yet on the other hand be very costly and hinder a company's financial growth. Moreover, there is also an acknowledgement of the lacking role of customs in businesses and academia overall.

1.3 Case company

The aforementioned problem of lacking customs procedures has in this study been investigated through a case study at an anonymous case company. The company is a medium sized MedTech company with headquarter in Sweden and has previously been a branch of activity within a listed US company. However, in 2022, it became an affiliate company to its parent company. The case company is now desiring to look over its customs procedures, both regarding import and export, to make sure that their procedures are effective and efficient (Supply chain developer, personal communication, 2023-02-07). Due to this, an opportunity to investigate customs procedures from the perspective of an importing and exporting company has arisen.

1.4 Purpose

The purpose of this report is to get a deeper understanding of where customs management commonly is deficient at companies in general, and at the case company in particular, and how the deficiencies could be addressed.

1.5 Research questions

To achieve the purpose of this report, the following research questions are to be answered:

- How does the case company's customs management look today?
- How could the case company's customs management be improved?
- Can these improvements be useful for other companies?

1.6 Delimitations

The case company operates globally, however, the study is limited to their operations to and from Sweden. The investigation at the case company is further mainly limited to their supply chain department.

Since Sweden is a part of the European customs union, the EU plays a major role for customs in Sweden. When investigating regulations, rules and common procedures, it is therefore of interest to view this from an EU-perspective. This geographical limitation is mainly prominent when concepts, regulations and rules are described. In other parts of the study where the area of customs is discussed from a broader perspective, for example when emphasising the importance of customs within businesses, no geographical limitation has been made. Despite the extensive EU-focus within this study, only Swedish actors were interviewed. Moreover, Tullverket (In English the Swedish Customs) has, to a large extent, been used as a source. Also, due to cultural differences within the EU, the procedures that are discussed within this study can not be assumed to be the same outside of Sweden.

The aforementioned delimitations are choices made actively at an early stage of the study. The results will further be limited in various ways, partly based on the above-mentioned choices but also on other aspects, such as the time limit of the study. This is addressed in chapter 7. *Reflection*, together with a discussion regarding the limitations' effect on the generalisability.

2. Literature review

To identify a research gap, earlier research within the topic has been investigated. A literature review of the results is presented in this chapter. The articles that are presented have mainly been collected from the World Customs Journal, yet some additional journals have been used. The chapter ends with a description of what research gap this study is expected to fill.

2.1 Commonly discussed topics within customs

Earlier research within the area of customs primarily has a customs administration perspective, focusing on risks, challenges, improvement potentials and future development for their operations. Topics that have been investigated have concerned themes such as *capacity building* (Hua, 2020), *security* (Widdowson, 2016), *harmonisation and trade facilitation* (Morini et al., 2017), *illicit trade and smuggling* (Mashiri & Sebele-Mpofu, 2015), *some matters of laws* (Keith Thompson, 2013; Lasiński-Sulecki, 2015), *corruption* (McLinden & Durrani, 2013) and *digitalisation developments* (Desiderio, 2019). Research regarding internal customs management within the private sector on the other hand, has been in focus for this literature review as this is the chosen segment for this thesis. This is a research topic that seems relatively limited, however, the findings are presented below thematically.

2.2 Companies' reputation affected by customs

In an article written by Wilmott (2007), a successful international trade and customs environment was discussed in the EU. Collaboration between different actors within the whole supply chain was stated as an advantage to create efficient goods flows. The author described how a business' reputation could be impacted by border-related delays as it creates disruptions within trade. The author stated that delays caused by for example customs clearance, can account for three quarters of all delays and it is thus of great importance to avoid obstacles within international trade (Wilmott, 2007).

Buyonge and Kireeva (2008) discussed customs and trade facilitation in Africa. Some of their findings were the importance of businesses developing an understanding of customs in their specific country and the importance of cooperation between government agencies, businesses and customs administrations to enable trade facilitation. The authors also stated that if a business uses a customs broker and they handle the communication with the customs administration, it is common that the company thinks that delays often are caused by the customs administration. However, the private sector is one of several actors which can control delays (Buyonge & Kireeva, 2008).

In an article written by Gellert (2011), the Authorised Economic Operator certificate (AEO), which is a certificate enabling trade facilitation, was investigated by focusing on revocation, withdrawal and suspension of the certificate. He stated that one of the main benefits of having an AEO certificate is the reduced time for conducting a customs clearance on importations. It was also advantageous to be able to state that intermediaries within a supply chain have an

AEO as it all together improves the company's reputation. When having the certificate, it was important to continuously ensure that the requirements for the certificate are met to avoid negative consequences such as more frequent controls and more time-consuming procedures (Gellert, 2011).

Volpe Martincus et al. (2015) investigated how customs-related delays affected an exporting company's exports by looking at Uruguay's exports between 2002-2011. The results indicated that delays affect the firm's exports negatively, especially when selling to new buyers. In another study, where factors affecting Bangladesh's exports were identified, Hassan (2017) claimed that distance, tariffs and behind-the border factors negatively impacted the level of export. Improving "*customs procedures, port inefficiencies, internal connectivity, corruption index and other trade-related socio-political-institutional factors*" (Hassan, 2017, p. 90) was assumed to give room for an increase in trade.

2.3 Lack of knowledge regarding cross border operations

Grainger (2008) discussed trade facilitation, focusing on the operational interface between government and business. His focus is partly on obstacles for implementing these concepts where lack of knowledge is described as an example. Often, the required knowledge to implement trade facilitation programs is not found in one single organisation. Coordination between the many involved actors, for example customs brokers, is thereby required for creating efficient customs and trade procedures. He further states that there is an absence of research about cross-border operations which is something that policy makers, project managers and executives would benefit from (Grainger, 2008).

In an article written by Coyle et al. (2014), customs from an US perspective were discussed. Besides the main focus on customs authorities, the authors discussed the importance of effective procedures for all organisations in order to create well-functioning operations. In this context, structural inertia was mentioned which is when a procedure is followed simply because it has always been done and not because it necessary is the best way to do something. Procedures provide stability which could make change difficult. Further, the authors provided an improvement strategy for developing customs ideas. They stated that the private sector generally has a lacking knowledge about customs procedures and that the US customs authority generally has a lacking knowledge about business management. Due to this, educational improvements were mentioned as one part of their strategy for improved customs (Coyle et al., 2014).

2.4 Development of customs

Hesketh (2010) raised the issue of the limited liabilities that the consignor has in relation to the safety, security, legal compliance and commercial risks that follow, when shipping goods. An information and risk asymmetry was identified, where importers are required to provide information to its customs authority, and bearing the legal risk, despite the fact that the exporter has more knowledge of the imported goods. Hesketh advocated for digital, seamless solutions where more real time information would be shared between consignor and consignee and relevant stakeholders in between. In that solution, the exporter should also bear a more proportional part of the risk (Hesketh, 2010).

Grainger et al. (2018), tried to map customs and border costs in supply chains by looking at one case where meat was transported from Mercosur to the UK, and flowers from Kenya to the Netherlands. The findings suggested that many customs and border costs are interdependent and hard to distinguish within supply chains, however the process can be simplified by naming the costs, as done in the article. Suggested ways to improve the costs was to increase the collaboration between customs authorities and businesses, but also by increased information sharing. Moreover, one way to decrease customs costs is to share information closer to when it is received, rather than when goods are declared (Grainger et al., 2018).

As certificate of origin is an influencing factor when declaring goods, and hence deciding the size of customs debts, the ability to trust its accuracy becomes crucial. The issue of visibility and compliance within customs management has been investigated in China by Zhou et al. (2021). The findings suggested that private companies that voluntarily shared their information were able to gain benefits in the form of increased sales due to increased consumer trust, less time spent on customs clearance and more efficient supply chains overall (Zhou et al., 2021).

2.5 Managing lacking customs procedures

In a study by Holzner and Perci (2012), the impact of customs procedures on the performance of small and medium-sized enterprises in Kosovo was investigated. Some of their findings were that engaging an expert within the area of customs clearance procedures had a positive effect on the company's turnover growth. The aim of engaging experts like these should be to ensure compliance with laws and reduce compliance costs. Further, the authors found that the frequently changing laws and regulations is a main barrier for companies in Kosovo conducting international trade (Holzner & Perci, 2012).

Popa et al. (2015) discussed best practices within customs in Romania. An AEO certificate and the use of simplified customs procedures was explained as two of the best practices which give the importer and exporter several advantages, for example reducing unnecessary time and cost to conduct customs clearance. The authors mentioned that the time and cost for customs clearance are included in the total logistics operation time and cost which makes this an important aspect to consider. Further, the authors also emphasised the importance for awareness

of changes in legal provisions for foreign trade companies as these provisions aim to facilitate goods flows (Popa et al., 2015).

2.6 Research gap

Concludingly, customs management overall has been rather well investigated from the perspective of customs administration. Moreover, as shown in the literature review above, exporting and importing companies have been investigated in their relation to other actors. However, literature regarding internal customs management at importing and exporting companies has not been found to any great extent.

In the picture below, a visual conclusion of the literature review is presented. The green circle represents extensive research regarding customs administration, which has been well elaborated. The green arrows present literature that concerns intra organisational studies, which are elaborated. Lastly, the red arrows within the importing or exporting company present the research gap that has been identified, which this study intends to contribute to.

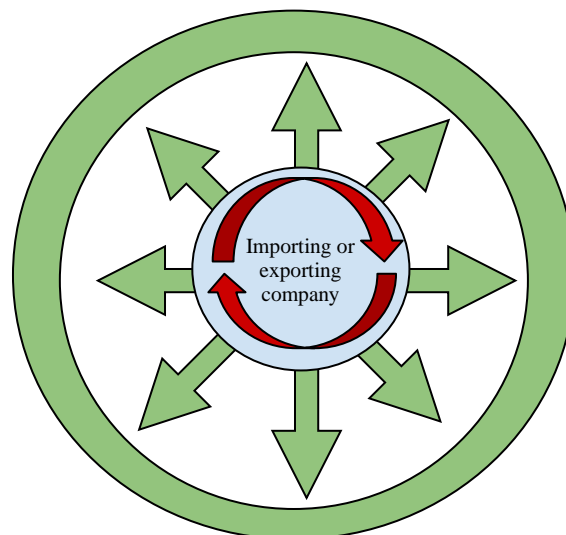


Figure 2. Research gap (created by the authors).

3. Methodology

In this chapter, the procedure for writing this thesis is explained. Initially, the chosen research type is presented, including fundamental principles such as paradigm and research logic. Further, the choice of using both primary and secondary data is discussed. Lastly, the chapter includes a discussion of how the choices influence the quality of the study by evaluating ethical aspects and the concepts of validity and reliability.

3.1 Paradigm and process of the research

When doing research, it is important to acknowledge and explain which assumptions that have been made. The first and most crucial assumption that needs to be made regards what paradigm that will be the fundament of the report. A paradigm is a way of describing how the world is looked upon by the authors of the thesis, and depending on the paradigm, different suitable methods of conducting research follows (Collis & Hussey, 2021). Within the topic of logistics, a positivism paradigm has been defaulted for many years, but it has now been claimed that it is not enough to use only a positivistic approach. A more interpretivist approach is required as a complement, to capture the logistics' great complexity (Näslund, 2002; Mangan et al., 2004). Halldórsson and Aastrup (2003) acknowledge that some things within logistics are more suitable to study under a positivist paradigm, for instance when it comes to the actual flow of goods, bottlenecks and such. However, when it comes to management, organisations and satisfaction, the most suitable approach is interpretivism since these phenomena can be interpreted by participants differently (Halldórsson & Aastrup, 2003).

For this report, the desire was to get a deeper understanding of where customs management is lacking, and an interpretivism paradigm has thereby been used. The answers to the research questions have been obtained by collecting qualitative data, which justifies the choice of an interpretive approach. Since the case study includes a high level of complexity, an interpretivist paradigm was considered to be suitable based on the acknowledgements made by Näslund (2002) and Mangan et al. (2004). Moreover, due to the choice of conducting a case study, the number of respondents was not large enough to conduct a quantitative analysis with a positivist paradigm, which speaks in favour of collecting qualitative data.

3.2 Purpose of the research

The purpose of writing reports can be different, and are commonly divided into four categories: either exploratory, descriptive, explanatory or predictive (Collis & Hussey, 2021). As for this report, where the purpose was to get a deeper general understanding of customs management, which is a rather unexplored topic, the character of the purpose was mainly exploratory. Exploratory studies are commonly conducted by using observations, historical analysis or, as in the case of this report, case studies. The exploratory purpose is flexible and large variations of approaches are possible, which opens up for researchers' creativity, according to what is suitable (Collis & Hussey, 2021).

3.3 Logic of the research

When it comes to the chosen logic of the research, it relates to the question whether theories have been tested, generated or both tested and generated. In the case of deductive research, existing theories are tested in particular cases. Inductive research on the other hand is when a particular case is studied, and from that result, conclusions are drawn as general knowledge (Collis & Hussey, 2021).

As the purpose of this report has been to explore due to generally lacking knowledge about customs, and a case study has been conducted, the logic used in the report has been inductive. The theoretical framework presented in the report has been used in order to explain the phenomena of customs, rather than to present theories which would have been tested on the collected data.

3.4 Case study

In this research, a case study has been chosen. This is a common research design within business that focuses on a single case. A case can be defined in several ways but is often an organisation or a workplace. One thing that is common for all case studies is the extensive focus on a single case, analysing the nature of that specific case. Often, a case study is of qualitative nature which makes it suitable for this study (Bell et al., 2019).

Näslund (2002) describes that case studies are suitable for researchers which aim to answer questions in the form of *why* and *how* and when the researchers have an exploratory purpose with the study, which is the case in this study. He further describes how this makes it a suitable research type for the area of logistics, based on the characteristics of logistics problems. These problems often involve many different aspects, influencing each other, which creates a complex situation. This supports the choice of conducting a case study as this report was written within the logistics area. The process of investigating customs management at the case company involves contact with many different actors who integrate with each other. This makes the case study a suitable research design in terms of the overall picture that it gives, by including the social context of the problem (Näslund, 2002).

Based on how the case study is structured, the study can contribute with insights of different kinds. So-called instrumental case studies have an aim to understand a broader issue by using a particular case whereby the case in itself is not in focus. The aim of this research was to use a specific case in order to get a better understanding of the context in which the chosen case is a part of. By studying the case of customs management at the case company, focusing on improving potentials within their business, the aim was to get a broader understanding of how customs management could be improved overall. Thereby, an instrumental case study has been conducted for this research (Bell et al., 2019).

According to Collis and Hussey (2021), a common approach for a case study of this thesis' type, is to use an opportunist case study. Within these case studies, the researchers can study a phenomenon through the access of a specific case. The results of these types of studies are to some extent limited to the specific case, however, the results could in many cases be useful for further research. In this thesis, the investigation at the case company gave the authors an opportunity to examine the area of customs procedures more thoroughly. Therefore, the case study in this research could be in the form of an opportunist case study. However, there is also a type of case study called exploratory case study which for example is suitable when knowledge about the investigated topic is inadequate. As discussed in chapter 1. *Introduction*, this study was based on the assumption that there is a lacking knowledge about customs in general. This also makes the exploratory case study suitable (Collis & Hussey, 2021). The case study conducted in this thesis could therefore be described as a combination of an opportunist and exploratory case study, based on the description stated by Collis and Hussey (2021).

3.5 Data collection

The data collection within this research could be divided into two main parts. Firstly, secondary data was collected through investigating earlier research and publications on the topic. Secondly, primary data was collected through interviews, mainly semi-structured interviews but also some structured via mail (see Table 1). The choice of conducting a case study contributed to the choice of collecting both secondary and primary data. To be able to investigate the chosen case in detail but at the same time also contribute to the area of customs with broader conclusions, a combination of data from earlier studies and data from the chosen case was considered appropriate. Collis and Hussey (2021) describe that a case does not act in isolation. Rather, it is part of a broader picture and is affected by the surrounding society which creates a need to gather knowledge about the chosen area in relation to the chosen case. This statement supports the choice of gathering secondary data outside of the chosen case at an initial stage of the thesis writing. The two chosen data collection methods will be explained more thoroughly below (Collis & Hussey, 2021). A summary of the data collection method is presented in Figure 3 below.

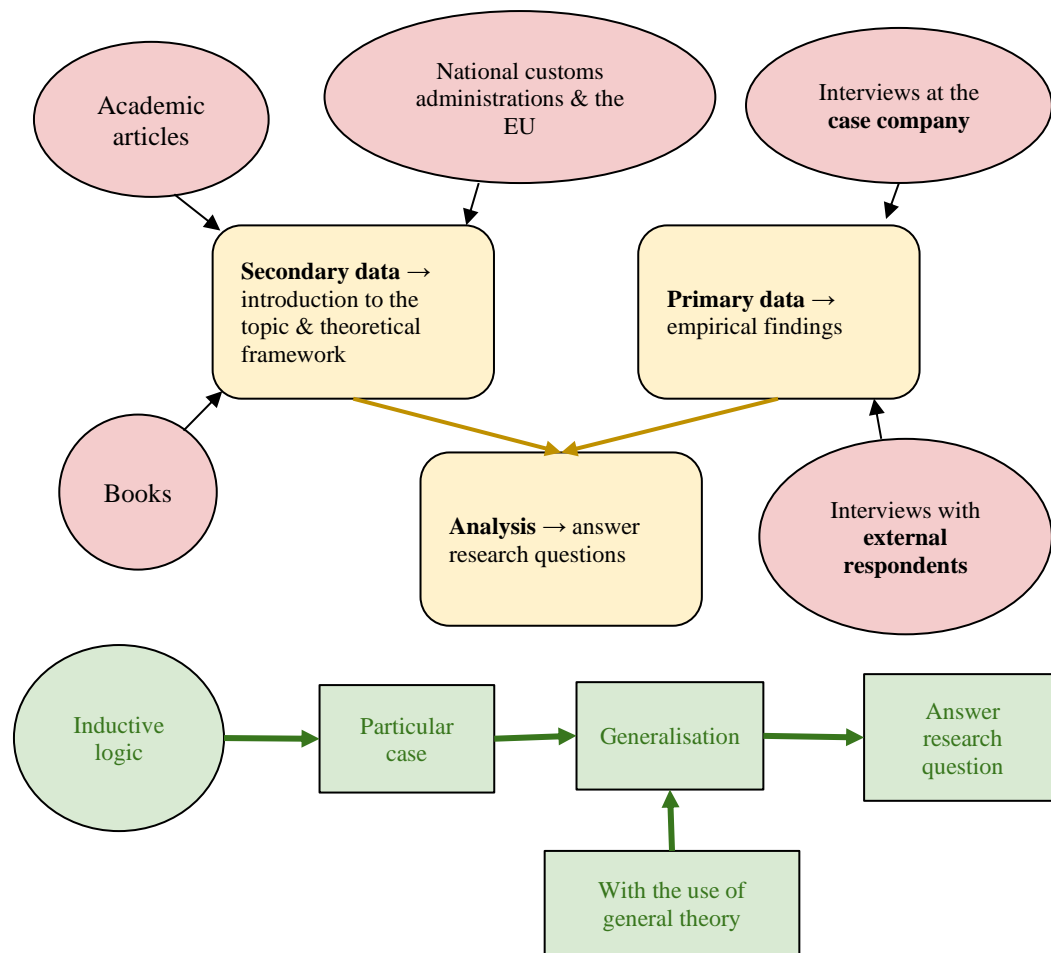


Figure 3. Summary of the data collection (created by the authors).

3.5.1 Secondary data

To be able to improve the current state at the case company, a framework defining efficient customs procedures at businesses needed to be presented. This process consisted of investigating earlier research through a literature review and investigating and explaining central terms within the area of customs. Collis and Hussey (2021) emphasise the importance of identifying keywords in advance to a literature search in order to facilitate the process. Keywords that were used in this research were *customs*, *customs procedures*, *customs regulations*, *history of customs*, *international trade*, *importation and exportation*, *EU customs union*, *supply chain management*, *risk management*, *communication* etc.

Further, to facilitate the literature research, it was considered appropriate to define the scope of the search. This can be a limitation regarding the time aspect, for example solely investigating literature from the past five years. It can also be a geographical limitation, solely investigating literature from a specific geographical area (Collis & Hussey, 2021). Regarding the time aspect, no specific time limit scope has been made, since it for instance might exclude old, but valuable, insight in a relatively unexplored topic. Moreover, many sources from the European Commission and Tullverket are without date, so in order to use them, no time limitation could be made.

Regarding the geographical limitation, a limitation to the EU has been made overall throughout this study. The reason for this lies in the fact that the case company is located within the EU, thereby being part of the EU customs union and operating according to the union's rules and regulations (European Commission, Directorate-General for Communication, 2020). However, this partly depended on what type of information that was gathered which is discussed below.

3.5.1.1 Literature review

The literature review was conducted by investigating existing research about customs to find a research gap. Here, no geographical limitation was made. The World Customs Journal (WCJ) was used to a large extent during this process, which is a journal that focuses on Customs and border management and is addressed to all actors within the area. World Customs Organization (WCO) is one of the organisations behind the journal and a new journal is published twice a year (World Customs Journal, n.d.). All articles in the volumes published between 2007 and 2022 have been investigated. Besides this, relevant articles in other journals were also investigated.

3.5.1.2 Theoretical framework

With the aim to explain fundamental processes within customs procedures and state relevant rules and regulations, websites operated and publications published by the European Commission and customs administrations were mainly used as these actors are responsible for customs procedures and corresponding regulation. According to the European Commission, Directorate-General for Communication (2020), customs unions together with national customs services play a major role in customs procedures. Therefore, data published by these actors was considered appropriate. Publications published by the EU were found in a database called Publications Office of the European Union which is an official website of the European Union and was therefore considered as appropriate to use with the aim to explain fundamental principles within customs. The guidelines are mainly focused on required documents, certificates and procedures for special occasions and these data are presented in the beginning of chapter 4. *Theoretical Framework*, (4.1-4.5). Here, the geographical limitation was prominent since customs procedures and regulations vary between different customs unions.

When collecting information about more general concepts which are not directly related to customs, academic articles published in online databases have been used to a large extent. For this type of research, literature outside of the geographical limitation was partly considered as useful. These findings are presented at the end of chapter 4. *Theoretical Framework*, (4.6-4.10). Bell et al. (2019) emphasise the benefits of using online databases when searching for such academic articles. It was therefore considered suitable to use when addressing general management and logistics concepts and when problematising customs procedures. These articles were to a large extent found through the University of Gothenburg's search function *Supersearch*, which according to Gothenburg University Library (n.d.) is an integrated

database consisting of several different publication types and topics. Another used source in the theoretical framework overall were books.

3.5.2 Primary data

Primary data refers to the data that is collected from an original source. Primary data is suitable when having an interpretivist paradigm and there are different ways of collecting the data such as interviews, focus groups, critical incident techniques, protocol analysis, diary methods and observations (Collis & Hussey, 2021). As usual, they all come with pros, as well as cons. The process of collecting data began with having two processes in parallel, choices regarding the sample on one hand, and choices regarding the data collection method on the other hand. When having decided who would participate and that the data collection would be made by interviews, the next step was to specify what data that would be collected by formulating questions. While formulating the questions, the structure of analysis was kept in mind. Figure 4 below illustrates the chosen procedure to collect primary data, inspired by the procedures presented by Collis and Hussey (2021), yet modified based on the design of this report.

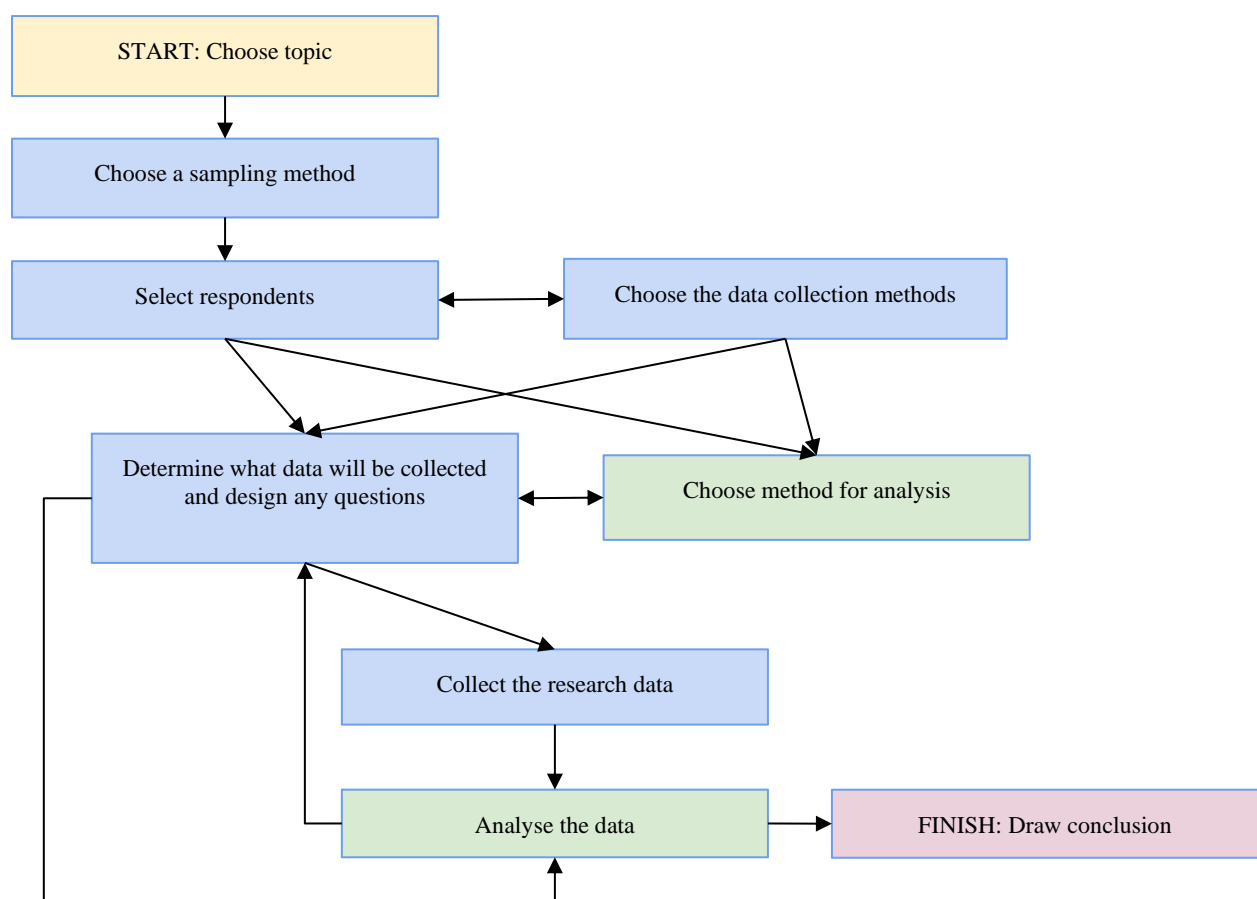


Figure 4. Procedure of collecting primary data (modified by the authors, based on Collis and Hussey (2021), p. 118).

3.5.2.1 Interviews

Since the purpose of this report has been to explore a phenomenon which is rather unknown, and the paradigm has been interpretivism, deeper knowledge has partly been gained by conducting interviews. Interviews are suitable to find out what people feel, think and do (Collis & Hussey, 2021), which is relevant for this research.

Interviews can be placed on a continuum of how structured the questions are and how free the respondents are to formulate their own answers (Collis & Hussey, 2021). It is expected to do semi-structured and unstructured interviews under an interpretivist paradigm, and mostly, semi-structured interviews have been conducted in this report. However, a few parts of some interviews have been more structured when answers such as yes and no regarding the case company's current situation have been in focus. In order not to get too much information from unstructured interviews, semi-structured questions were asked, and as Collis and Hussey (2021) pointed out, the order of questions was not important, but rather that the questions were answered.

In preparation of the interviews, an interview guide was prepared with questions to bring up. Despite writing the semi-structured questions in a logical order, the questions were asked when suitable during the interviews. Open questions, a few closed questions, follow-up questions and some summary questions were asked. The interview guides are presented in *Appendix I-V*. In some cases, the interview guides were sent before booking the interview, while some were sent before the interview and in some cases the interview guide was not sent at all, all depending on the respondents' responses to the initial contact.

In case that the respondents accepted to be recorded, the recordings were transcribed. It takes a long time to transcribe and there is a risk that respondents are uncomfortable by being recorded even though they have permitted it (Bell et al., 2019). However, the benefits of not relying solely on notes, enabling the interviewer to be more attentive, and the thorough review of the answers afterwards while transcribing, were assumed to outweigh the disadvantages. The level of details of transcriptions were limited to only writing explicit words, while pauses and other sounds were eliminated.

In this report, mostly face-to-face interviews were conducted to have undivided time with the respondents, be able to ask for clarification, and take part in complex reasoning. One or two respondents were interviewed at the time. Collis and Hussey, (2021) mention that it could be supportive to be two interviewers to make sure that all desired topics are covered. Consequently, the two authors of this report participated as interviewers in all the interviews together.

To some respondents, interviews and follow-up questions were asked via mail in order to get a few, more structured questions answered. It was then an asynchronous interview since the respondents were allowed to answer the emails whenever there was time to spare (Bell et al., 2019).

3.5.2.2 Choice of respondents

When it comes to the choice of sampling methods, a purposive sampling has been conducted. The characteristic of a purposive sampling is that the respondents are chosen due to their experience of the phenomena studied, and during the time of the data collection, the sample can be adjusted depending on findings (Collis & Hussey, 2021). In order to fulfil the purpose of this report, the respondents' knowledge both regarding the case company's procedures in particular, but also a generic picture of customs procedures in general, has been indispensable. Since the aim of this study has been to present improvement potential regarding customs management at the case company, the data has been collected from the present state, and does not cover a longer period. To capture a picture with as much detail as possible, multiple interviews were conducted with employees from the case company.

It is important to consider the sample size carefully when collecting data since it can rapidly become many interviews, creating an unbearable amount of work to manage (Collis & Hussey, 2021). By choosing fewer, yet highly relevant respondents, with different perspectives on the topic, the resources have been well allocated. The respondents are presented below and more information about how the interviews were conducted is presented in Table 1.

David Hellsing has a long experience within the area of customs and has for example worked at the Swedish Customs. Today, he works as a customs consultant at the consulting firm Customs Advisers. They help companies with customs matters to ensure that companies' routines compile with customs authorities' regulatory framework (D. Hellsing, personal communication, 2023-02-21).

Peter Hellman works as a consultant at the West Sweden Chamber of Commerce which is a member organisation with the aim to strengthen trade and industry. Besides this, he is a Swedish representative in the International Chamber of Commerce. In his role, Hellman does many things revolving around helping member companies with trade issues, where customs is a part. He for example holds courses about international trade and customs (P. Hellman, personal communication, 2023-03-16).

Marie Magnusson has a long experience of working with customs. She has worked at the Swedish Customs for over 35 years, currently in a role as a group manager for a group of customs auditors who ensures that companies pay correct customs duties (M. Magnusson, personal communication, 2023-03-08).

Malin Madsen works at Gerlach Sweden AB, which is a wholly owned subsidiary of the Deutsche Post DHL Group, conducting customs matters both on behalf of DHL, but also on behalf of private customers. Madsen is currently working as a customs consultant (M. Madsen, personal communication, 2023-03-08).

Marlene Andersson and Almir Cerimagic work at JAS Worldwide Sweden AB. The company is a forwarding agent, providing customs services for many of their customers. Almir Cerimagic is a customs manager and that includes handling the company's customs permits, arranging education and providing support to colleagues. Marlene Andersson is a claims department officer and she contributes with operational knowledge regarding customs (M. Andersson & A. Cerimagic, personal communication, 2023-03-30). In summary, representatives from a customs administration, customs broker and freight forwarder, customs consultants and a chamber of commerce have been interviewed. Thereby, covering a large part of the actors participating in customs matters. These respondents are further referred to as *external respondents*.

At the case company, interviews have been held with eight employees. The Supply chain manager (SCM) is responsible for the operational work regarding supply, the planning and production of goods and the distribution of products. (Supply chain manager, personal communication, 2023-03-29). The Supply chain developer (SCD) is working for the SCM. The role includes developing improvement potentials within the supply chain from a tactic and strategic perspective. Some tasks include monitoring distribution costs and agreements with transporters (Supply chain developer, personal communication, 2023-04-24). The VAT controller's main task is to manage VAT, but some additional tax issues and accounting is also included (VAT controller, personal communication, 2023-03-22). The financial controller is a consultant working together with the VAT controller and is taking over some of the VAT controller's previous tasks (Financial controller, personal communication, 2023-03-22). Planner 1, planner 3 and planner 4 works as material and production planner and Planner 2 works with customer service (Planner 1, 2023-04-04; Planner 2, 2023-04-19; Planner 3, 2023-04-20; Planner 4, 2023-04-20, personal communication). Interview guides for the case company are found in *Appendix II-V*.

For both the external and internal respondents, one main interview was held with each of them, however, in some cases additional questions were sent by mail. All interviews were held and transcribed in Swedish. When referring to the respondents in chapter 5. *Current state at the case company* and 6. *Empirical findings and analysis*, only surname and date are written, instead of citing them as above. This was done to increase the readability.

In Table 1 below, a summary of the conducted interviews within this study are presented. Besides this, continuous meetings with supervisors, both at the university and the case company, have been held throughout the study. The supervisor at the case company is also an interview respondent who is referred to as SCD.

Interviews					
Date	Name (referred to in text)	Profession	Level of structure	Interview method	Duration
2023-02-07	Supply chain developer	Supply chain developer at the case company	Structured	Mail	-
2023-02-21	David Hellsing	Customs consultant at Customs adviser	Semi- structured	Face-to-face	1h 40min
2023-03-08	Malin Madsen	Customs consultant at Gerlach Sweden AB	Semi- structured	Face-to-face	30 min
2023-03-08	Marie Magnusson	Group manager at the collection department at the Swedish Customs	Semi- structured	Face-to-face	30 min
2023-03-09	Supply chain developer	Supply chain developer at the case company	Structured	Mail	-
2023-03-10	Supply chain developer	Supply chain developer at the case company	Semi- structured	Face-to-face	1h 25 min
2023-03-16	Peter Hellman	Consultant within exportation and importation at the West Sweden Chamber of Commerce	Semi- structured	Face-to-face	1h 25 min
2023-03-22	VAT controller, Finance controller	VAT controller & Finance controller at the case company	Semi- structured	Face-to-face and online	30 min
2023-03-24	Supply chain developer	Supply chain developer at the case company	Semi- structured	Online	1 h
2023-03-29	Supply chain manager	Supply chain manager at the case company	Semi-structured	Face-to-face	1h
2023-03-30	Marlene Andersson, Almir Cerimagic	Claims department officer & customs manager at JAS Worldwide Sweden AB	Semi-structured	Face-to-face	1h
2023-04-04	Planner 1	Material and Production Planner at the case company	Structured	Mail	-
2023-04-14	VAT controller	VAT controller at the case company	Structured	Mail	-
2023-04-17	Peter Hellman	Consultant within exportation and importation at the West Sweden Chamber of Commerce	Structured	Mail	-
2023-04-19	Planner 2	Customer service at the case company	Structured	Mail	-
2023-04-20	Planner 3	Material and Production Planner at the case company	Structured	Mail	-
2023-04-20	Planner 4	Material and Production Planner at the case company	Structured	Mail	-
2023-04-24	Supply chain developer	Supply chain developer at the case company	Structured	Mail	-

Table 1. Interviews.

3.6 Data analysis

The process of analysing data differs depending on the characteristics of the data. There are overall more well-established methods for analysing quantitative data, compared with qualitative data which were used within this study. Therefore, the analysis of the data collected within this study was associated with more challenges. However, the chosen method for this study is based on three steps: data reduction, data displays and finally conclusions and verification. The interviews conducted within this study resulted in lots of unstructured data, which needed to be reduced to fit into the study. This was done by categorising the unstructured data into themes inspired by the theoretical framework. The theoretical framework was, after this process, limited to the themes which were brought up during the interviews. Chapter 4. *Theoretical Framework* was thus used as a base when analysing the empirical finding (Collis & Hussey, 2021). It is important to mention that one step of the data reduction was made in advance to the collection of the primary data. When writing the theoretical framework, a selection of relevant topics was made by the authors. The connection between some of the topics presented in the theoretical framework and the area of customs was thus based on an interpretation done by the authors. Collis and Hussey (2021) mention that data reduction in advance to data collection could be done but that it requires a broad knowledge about the chosen topic, which in this case meant a broad knowledge about customs. Within this research, information about the fundamental principles of customs was collected first. Thereby, it was considered that the selection of the topics for the theoretical framework could be done based on the knowledge that the process provided.

The next step, data displays, is a way for the researcher to summarise the collected data through some type of visual picture. It can for example be to use nodes and links in a network to present relationships between different topics (Collis & Hussey, 2021). This was done in this study by using a rich picture. Rich picture, presented within the field of system thinking, is a method that can be used in order to visualise complex problems. Rich pictures can not necessarily give simple answers to complex problems, yet it can be used by participants to ask more well thought out questions (Conte & Davidson, 2020). Rich pictures have, in this report, been used to compile the data given by the case company, in order to present their current customs procedure and grasp the complexity of it. Moreover, the aim was to open for good discussion, be able to ask well thought through questions and receive a more elaborated view of the case company's procedures.

The last step presented by Collis and Hussey (2021), is the process of drawing conclusions and verification. Some common procedures are identifying patterns, relationships and differences within the collected data. Also, generalise the findings by linking them to theories. This was the consistent focus of the analysis conducted in this study. Firstly, an overview of how the customs procedures at the case company looked today was presented and secondly this was compared with findings from external respondents, the literature study and theoretical framework. This comparison led to improvement potentials regarding how the customs

procedures at the case company could be improved. The ability to apply these findings in a broader context was further discussed by comparing the common deficiencies at companies stated by the external respondents, with the deficiencies at the case company.

3.7 Methodology discussion

The quality of this study was in several ways affected by the aforementioned methodology choices. Below, the advantages and disadvantages of the choices will be presented.

3.7.1 Ethical aspects

Several ethical measures have been taken during this research, mostly related to the collection of primary data through interviews. Firstly, the respondents were provided with information about the topic of the study. After this, they could decide whether to participate in the study or not. Besides the fact that Collis and Hussey (2021) describe this step as a key principle within research ethics, it was also considered as an important step to be able to interview the right participants. With knowledge about the study, participants could determine their suitability for a participation in the study. Also, giving examples of more suitable participants if relevant.

Secondly, two relevant concepts when discussing ethics within research are anonymity and confidentiality. Anonymity refers to the choice of excluding a participant's name from the study, thereby ensuring that a connection between the participant individually and the given options can not be made. Confidentiality is a broader concept that rather refers to the given information and its connection with the participant and organisation. In this study, the respondents were given the possibility to be either anonymous or confidential (Collis & Hussey, 2021).

Although not all participants' names are included in the study, explaining their position was considered as useful for the quality of the study. At least, explaining what role their company plays within the area of customs. As for many areas within logistics, conducting customs procedures involve several actors with different points of views. A combination of actors involved in the study was therefore suitable due to the different perspectives on customs that they could provide. Based on this, explaining a participant's role as an actor within customs management was considered important. Further, even though the case company's name is not mentioned in the study, an explanation about what type of company it is, in terms of industry and size, was made as it contributes with useful information for the reader.

Another ethical question that was considered was related to recording interviews. When doing interviews, it is according to Collis and Hussey (2021), common to record the interview and this was done within this study. A request of recording the interviews was given in advance to all interviews. Also, the recorded data, together with all other gathered data, was then handled confidentially solely within the context of the study.

3.7.2 Validity

According to Collis and Hussey (2021) validity is explained as follows: “*Validity refers to the extent to which a test measures what the researcher wants it to measure and the results reflect the phenomena under study*” (p. 48). According to Patel and Davidson (2019), the level of validity within a qualitative study is determined by the whole study process, for example the quality of the data collection but also how well the researchers interpret the data and if the methodology choices contribute to trustworthy answers. The validity measure can be divided into several different types. Bell et al. (2019) describe that two of them are internal and external validity. They describe that these measures mainly are used when evaluating quantitative studies. However, these could in a way be adapted to fit qualitative research (Bell et al., 2019).

3.7.2.1 Internal validity

For qualitative research, internal validity analyses the relationship between the observations made and the theoretical ideas that are developed. The internal validity has parallels with the concept of credibility, evaluating how believable the results are (Bell et al., 2019).

One of the main things done to increase the internal validity was to include different perspectives on the problem, thereby viewing customs procedures from several points of view. The combination of interviews and literature research contributes to a comprehensive picture of the area of customs, which reasonably increases the internal validity and credibility of the study. The area of customs was problematised from several perspectives by investigating secondary data from several sources, interviewing people representing different actors within the area of customs and combining a specific case with a broader theoretical framework to create general conclusions. All of this is something that Patel and Davidson (2019) refer to as triangulation which is a common term when discussing validity problems for qualitative research. The fact that Patel and Davidson (2019) emphasise the use of triangulation to validate a study, supports the statement of a higher internal validity within this study. For example, if interviews only were conducted at the case company, there would be a risk that important aspects of customs would be excluded and that the results would be biased. This could decrease the trustworthiness of the results and thereby the internal validity.

Another aspect that increases the internal validity is the fact that the study consists of a thorough description of the investigated problem, description of the respondents and arguments for the methodology choices made. This gives the reader information about the context of the study which could increase their understanding of the study and thereby increase the credibility.

3.7.2.2 External validity

For external validity, the sample choice becomes important as it measures the ability to generalise the results beyond the context of the study. When discussing external validity, a relevant concept to consider is generalisability which refers to the applicability of the report's findings in new contexts. For case studies, it is common to question the possibility to generalise

the results. However, Bell et al. (2019) claim that the purpose of qualitative studies is not to contribute with conclusions regarding whole populations, but rather to contribute with theoretical generalisations, where theoretical reasoning is in focus (Bell et al., 2019). One part of this report regards the investigation at the case company with a purposive sampling method, which from a traditionally positivist perspective could be seen as generating low generalisability. However, since the paradigm has been interpretivism, measures to increase the applicability of the findings in a broader context have been taken. To get a broader picture of customs procedures at companies overall, external respondents who handle customs have been interviewed outside of the case company. Whilst the interviews with external respondents does not create any best practices or capture a picture of customs procedures everywhere, it confirms the findings of the case company and has thereby increased the generalisability. Moreover, the information provided by the experts could be seen as an indicator for where further research potentially could be conducted.

The concepts of validity and reliability are in a way integrated within qualitative research, giving more space for validity and in a way neglecting the concept of reliability. However, reliability is still of importance in a way for qualitative research and this will be discussed below (Patel & Davidson, 2019).

3.7.3 Reliability

Reliability refers to the reliability of the measuring instruments used in research, whether the results would be the same if the study was repeated (Collis & Hussey, 2021). This measure of reliability is very important for studies under a positivistic paradigm, while it is important in a slightly different way when it comes to interpretivist studies. For instance, the role of reliability can come into play in the process of interpretation, where the conclusions need to be explicable (Collis & Hussey, 2021). Regarding the internal reliability, which is referred to as “*inter-observer consistency*” (Bell et al., 2019, p. 363), the two authors of this report have participated in all interviews together. Further on, the findings have thoroughly been discussed in order to treat all empirical findings similarly, leading up to logic and trustworthy conclusions. To create external reliability, which is referred to as “*the degree to which a study can be replicated*” (Bell et al., 2019, p. 362), Halldórsson and Aastrup (2003) argue that it has to be possible to trace the material from which assumptions and conclusions have been drawn. In natural science, that information can oftentimes be written concisely, yet with qualitative data and an interpretive paradigm, the amount of data is commonly not condensable to the ordinary number of pages for a research report. To provide trackability and explicitly, as a measure to increase the trustworthiness of this report (Halldórsson & Aastrup, 2003), this exhaustive chapter of methodology provides the reader with information on how the research was conducted. Lastly, complimentary information such as the interview guides has been placed in the *Appendices*.

4. Theoretical framework

This chapter describes what customs is, looking at procedures, central actors and related regulations. Further, the chapter also presents central concepts within logistics from a customs perspective. The chapter is written in order to contextualise the empirical findings with the aim to answer the research questions. Figure 5 presented below, gives an overview of the topics that this chapter will describe.

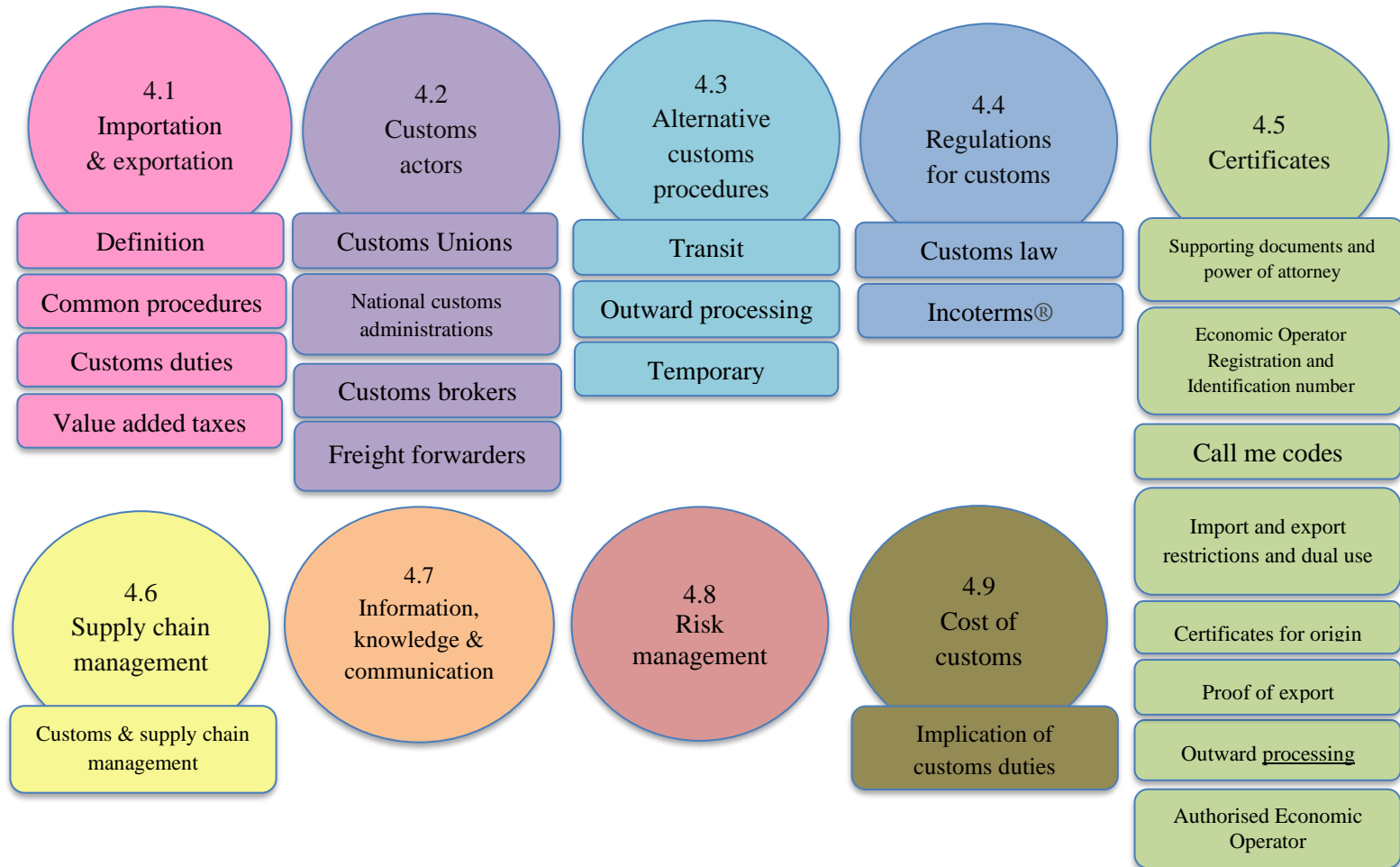


Figure 5. Summary of the theoretical framework (created by the authors).

A limitation has been made to procedures and certificates which are relevant to discuss based on the case company's operations.

4.1 Importation and exportation

In this subchapter, generic procedures of customs will be presented, covering important steps that are required to conduct trade across customs borders.

4.1.1 Definition

According to the European Commission (n.d. b), the term importation concerns the act of enabling goods from outside the union, called non-Union goods, to be handled as goods from the union, called Union goods. The importation process enables free circulation of non-Union goods within the EU customs territory, which the European Commission calls to release for free circulation (European Commission, n.d. b). The result of this process is that non-Union goods are given the same status as Union-goods through a customs declaration (European Commission, n.d. c). In Sweden, the actor that imports goods from a country outside the EU is responsible for submitting the declaration and certificate of origin to the Swedish Customs (Tullverket, n.d. e). While it is the exporter's responsibility to have valid documentation of origin, the importer needs to ensure that the information provided is accurate and approved by authorities in the country it is exported from. Moreover, the importer needs to pay customs duties and VAT when importing goods into the EU (Tullverket, n.d. f). If desired, a customs broker can be hired for conducting the importers declarations, however, the responsibility of the declarations remains with the importer (Tullverket, n.d. g).

Exportation means the act of Union goods leaving the EU customs territory (European Commission, n.d. v). The process of exporting goods outside of the EU consists of several steps and requires that the company has a plan for the export. The buyer of the goods is in most cases the corresponding importer in the destination country and this actor needs to be qualified for the task. As an exporter, you need to investigate whether any restrictions exist for the traded goods and chosen market. Some information that should be included in an export declaration is the destination country, the origin, value of the goods and corresponding commodity codes (European Commission, n.d. m). Since that task might be difficult, the exporter can get assistance from the Swedish Customs (Tullverket, n.d. c). Commonly, there are no customs tariffs to be paid by the exporter in the EU. Instead, it is in general the importer that has responsibility over customs clearance in the country of destination, together with responsibilities over customs duties and taxes. Besides an export declaration, there are several documents that could be required for the exporter to prepare. Packing list, certificates corresponding to eventual health and safety rules in the recipient country and documents stating the origin of the goods are some examples (European Commission, n.d. m). As well as for the importer, the exporter can hire a customs broker or carrier providing customs services. However, the exporter can never resign from the responsibility of correct information in the declaration (Tullverket, n.d. c). In Figure 6 below, the basic procedures of importation into, and exportation out of the EU is presented.

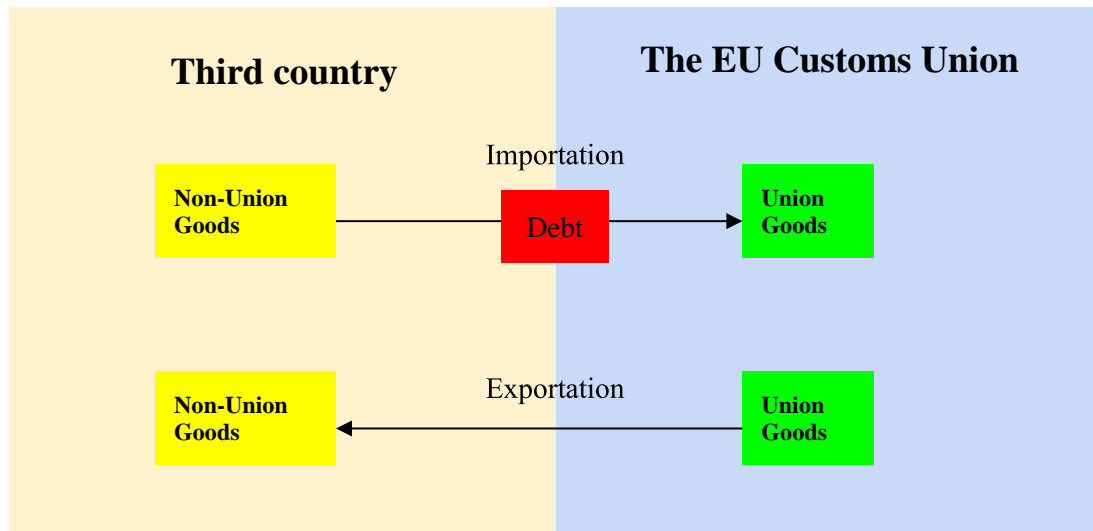


Figure 6. Importation and exportation (created by the authors, based on European Commission (n.d. b) and European Commission (n.d. v)).

4.1.2 Common procedures

The act of placing goods under a customs procedure is called customs declaration and there are two scenarios where this process is relevant, importing and exporting. The declaration consists of a document that is verified and accepted by a customs administration. The process is often carried out at the time of, or before, the goods are presented to the customs administration. However, the period between when the customs declaration is lodged and when the goods are presented can maximum be 30 days. The process of presenting goods to customs administrations means the time when goods arrive at the customs office. The content of the customs declaration should be sufficient to be able to correspond with the rules that exist in the given customs procedure. The declarant, which is the part that is liable for the customs declaration, is an actor that can provide all this relevant information and is also in charge of presenting the goods to the customs office. Another obligation is that the actor acting as the declarant needs to be established in the corresponding customs union. After an acceptance of the customs declaration, customs administration can in different ways verify the information given in the customs declaration. They also have the authority to examine the goods (Lyons, 2018). Further, according to the European Commission (n.d. d), a customs declaration could be described as an official document containing a request to place goods under a given customs procedure which often is lodged by the owner of the goods (European Commission, n.d. d).

The process of customs clearance within the EU consists of several steps and involves some required documents. Besides a customs declaration, a description of the transaction between the exporter and importer through a commercial invoice is needed for the customs clearance. This is issued by the exporter and for example contains information about the involved parties but also name, quantity and quality of the goods and terms regarding payment and delivery. Another important document is the proof of origin which is a document that states where goods

originate from (European Commission, n.d. l). This will be further elaborated in subchapter 4.1.3.3 *Rules of Origin*.

4.1.3 Customs duties

Connected to the process of conducting a customs declaration, the European Commission describes the term customs debt. It is defined as: “...*the obligation on a person to pay the amount of import or export duty which applies to specific goods under the customs legislation in force.*” (European Commission, n.d. e, Customs debt). It is the declarant of the customs declaration that is liable for the payment (European Commission, n.d. e). The amount to be paid is based on the so-called Common Customs Tariff (CCT). The CCT is a collection of all the duties and rules which apply for different types of goods that are imported to the EU. The duties depend on the type of goods and where the goods are imported from. The CCT is common for all EU member states (European Commission, n.d. r).

The overall process of calculating the customs duties is based on three steps. Firstly, the value of goods needs to be established, secondly the origin of the goods needs to be determined and thirdly, the customs tariff needs to be determined by classifying the goods (European Commission, n.d. n). In normal cases, customs duties are calculated as a percentage of the economic customs value of the goods (European Commission, n.d. f). The revenue from customs procedures is commonly called tariff, customs debt or customs duty.

4.1.3.1 Calculation of economic value

The first step when calculating customs duties is to evaluate the economic value of the goods through a procedure that the European Commission calls customs valuation. There are multiple methods to be used for this process, where one method called transaction value method is the primary one which is based on the total cost of the imported goods. The WTO has developed valuation forums which are used as an international framework with principles for customs valuation (European Commission, n.d. f). It is the responsibility of the declarant to ensure that the economic value is correct (Tullverket, n.d. g).

When calculating the economic value of the goods according to the transaction value method, several costs are added which are necessary to be able to ship the goods (Tulli, n.d. b). In Figure 7, examples of including costs are mentioned. The list is not exhaustive yet covering the main costs. The costs are not necessarily named as the costs structure in Figure 7, some of them might be integrated with each other. However, the important thing is that all the costs are included so that the economic value can be calculated. To prove the economic value, supporting documents are required by the Swedish Customs (Tullverket, n.d. l).

Price
+ shipping and handling costs to the border of the EU
+ packaging costs
+ insurance costs
+ cost of tools
<hr/>
= Economic value

Figure 7. Transaction value method (created by the authors, based on Tulli (n.d. b)).

4.1.3.2 Customs tariff

Besides the valuation of the goods, determining the customs tariff is another step in the procedure of calculating the customs duties. There are duty rates for different classes of goods which is determined by the economic sensitivity of the goods. This duty also differs depending on the type of importer. The European Commission (n.d. g) describes a tariff in the following way, “A *tariff is a tax on imports or exports of goods between countries.*” (European Commission, n.d. g, Tariffs). It is used as a regulation to strengthen production in the domestic industry by taxing foreign products. The factors that influence the tariffs are the relationship between the exporting and the importing country and what type of goods that are being traded with. Whether there is a trade agreement between the involved actors or not could influence the tariff. To apply the correct customs duties to the corresponding product, a product classification needs to be carried out (European Commission, n.d. g).

There are multiple purposes for classifying goods. It is, as aforementioned, necessary to be able to determine the customs duty rate. It is also useful for identifying eventual import or export restrictions and to issue a certificate of origin. The classification of goods within the EU has two elements, the Combined Nomenclature (CN) and the Integrated Tariff (TARIC). Both systems are based on an international system developed by the WCO, called Harmonized Commodity Description and Coding System (HS) (European Commission, n.d. h).

The HS is a nomenclature system and a central tool within international trade, used for classifying commodities in different groups by using codes. Within international trade, 98% of all merchandise has been classified using this tool. The groups of commodities are identified with a 6-digit code, called a HS code, with the aim to create a uniform classification worldwide (World Customs Organization, n.d. a). According to The World Customs Organization (n.d. b), the global spread of HS has received a major boost due to the increased complexity among international trade. The benefits of a harmonised system for classifying goods have proven to be clear as the concern of cross-border crime has increased (World Customs Organization, n.d. b). Updates in the HS nomenclature system occur every fifth to sixth year (Tulli, n.d. d). The CN could be described as a further development of the HS. The tool gives information about rates of customs duty and is used when goods are declared to customs within the EU. It also gives useful information for intra-EU trade statistics. The CN is built up by subdivisions with

an associated CN code, the ones used in the EU consists of a 8-digit code number which describes the commodity. Compared with the international HS, the CN has subdivisions that are specific for the EU, the so-called CN subheadings. Besides the 8-digit code number, the subdivisions also consist of information such as duty rates and descriptions of the goods (European Commission, n.d. i).

The second element of the EU classification system is the TARIC. The aim of the TARIC is to present rules for products bought over the borders of the customs territory, mainly related to importation. The TARIC is a composed system consisting of the CN and some additional headings (Lyons, 2018). According to the European Commission (n.d. j), TARIC codes, consisting of 10 digits, need to be stated in the customs declaration conducted when importing products into the EU. These codes are integrated codes consisting of the rules from both the HS and the CN, in other words, covering all relevant rules for the specific product. Besides the provisions stated in the HS and CN systems, TARIC also gives information about policy measures (European Commission, n.d. j). So, in summary, the EU has added 2 digits (CN code) on exports and 4 digits (TARIC code) on import in addition to the global HS code, which is illustrated in Figure 8 (Single Window for Logistics - Luxembourg, 2021).

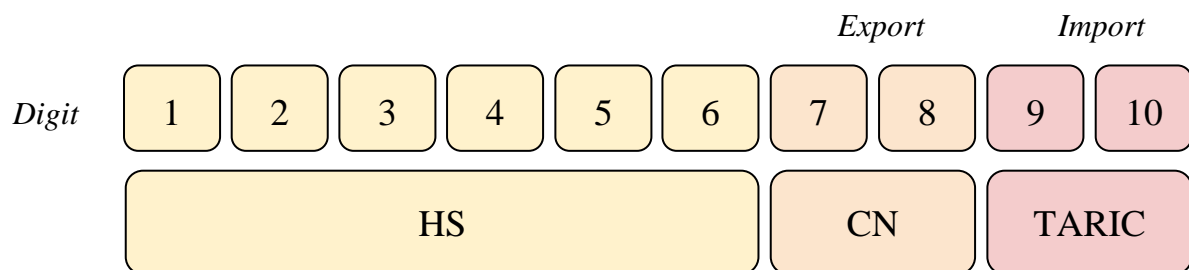


Figure 8. Classification of goods (created by the authors, based on World Customs Organization (n.d. b), European Commission (n.d. i) and European Commission (n.d. j)).

When dealing with items that are difficult to classify, it is possible to ask the Swedish Customs to do the classification instead, by asking for Binding Tariff Information (BTI). The identification of commodity code is only applicable for the company applying for it, however for other companies that are dealing with the same product it is a suggestion of how to classify it. Costs might occur if the process is extensively expensive, yet it is usually for free. The classification is binding three years after the given classification and thereafter a new BTI is needed to apply for (Tullverket, n.d. i). As mentioned by Branch (2009), correctly classified products will ensure that the right tariffs are paid. If it is inaccurately identified; too much or too little might be paid, which affects the business' profitability. Further on, the implications of classification are many, since there are many different trade agreements which apply different costs for different commodity codes. Moreover, rules and regulations are changed over time, which requires companies to keep track of the changes. For this reason, it is common to get assistance with customs procedures from experts (Branch, 2009).

4.1.3.3 Rules of Origin

The last step of calculating customs duties is to determine the origin of the goods (European Commission, n.d. n). When evaluating the rules of origin, it is relevant to distinguish between the customs status of the goods and the origin of the goods. The customs status of the goods has nothing to do with where the goods have been produced. In an EU context, goods could be Union-goods or non-Union goods and are given the status Union-goods when the goods are released for free circulation. Unlike the customs status of the goods, the origin of the goods refers to the economic nationality of goods, divided into so-called non-preferential and preferential origins (European Commission, 2022).

When importing goods to the EU, all goods have a non-preferential origin which is important to be aware of to know if policy measures are to be applied on the goods. If the product is manufactured in one country in its entirety, it will get that nationality as its non-preferential origin. If two or more countries are involved in the manufacturing process of the product, the product will get the non-preferential origin of the country where the product last underwent a processing resulting in a new product (European Commission, 2022).

Compared with non-preferential origin, the rules of preferential origin concern duty benefits stated in trade agreements (European Commission, n.d. t). Free trade agreements are agreements between two or more parties where trade can be executed with as few obstacles as possible, meaning lower or non-existing duties. There are many different free trade agreements between customs unions, which makes it difficult to keep track of the rules and regulations (Kommerskollegium, 2019). The rules, including the required conditions that the goods need to have, are stated in the agreement between the concerned parties. To be able to get preferential duties, there are requirements regarding the origin of the goods that need to be met. The goods need to be produced in the beneficiary country, with raw materials or components from that country. If that is not the case, the preferential origin could still be fulfilled if a proportionally large enough part of the manufacturing process is carried out in the beneficiary country (European Commission, n.d. t).

Overall, it is the exporter that is responsible for the statement of a correct origin of the goods. The exporter must thus have knowledge of the different rules that apply within the different agreements as the rules of origin vary between different countries. So, a product could have different origins based on which trade agreement that is applied. After the evaluation process, the exporter has verified the origin of the goods and can make a certificate of origin. The exporter needs to investigate what type of certificate of origin to provide as there are different types, some require the exporter to issue the certificate through a responsible authority. Depending on which country the goods will be sent to, the proof of origin needs to be kept for at least three years. If the issued certificate of origin is incorrect, it is despite the sellers' responsibility to state the correct origin, the buyers' responsibility to pay fees for using the wrong origin (Tullverket, n.d. b).

4.1.4 Value added taxes

One kind of tax, applied in the EU, is Value added taxes (VAT) which is an indirect tax included in the price, paid by the buyer to the seller. In the end, it is the final consumer that bears the tax (European commission, n.d. q). In order to calculate how much VAT that should be paid, information about the economic value of the goods, potential customs duties and attendant expenses, such as transportation and insurance, is needed (Tullverket, n.d. m).

If the company is VAT registered, the VAT should be paid to Skatteverket (in English Swedish Tax Agency), and if it is not VAT registered, the VAT should be paid to the Swedish Customs instead (Tullverket, n.d. m). In some cases, there is a desire to pay the VAT in another EU country than where the goods enter the union. To be able to do that, it is required to have a VAT registration in the country where the goods enter the union and have supporting documents to prove that the goods is going to be sent to the other country within the EU (where the VAT will be paid). If the company is not VAT-registered where the goods enter the union, the only solution to postpone the payment of VAT is to do a transit (Tullverket, n.d. n). This will be elaborated in subchapter 4.3.1 *Transit*.

4.2 Customs actors

This subchapter describes central actors within the area of customs and their role in the procedures. Since the importer's and exporters' role have been discussed previously in the chapter, the focus is on remaining actors which in different ways contribute to goods flows across borders.

4.2.1 Customs Unions

Customs unions are central actors within the area of customs. Several countries can come together and join a customs union and thereby become a joint actor within global trade. After creating a customs union, no tariffs are applied for goods flowing within the area of the union. The member states have also agreed on common tariffs for imported and exported goods. The EU is an example of a customs union with a central role in global trade. It was founded in 1968 and aims to protect consumers, animals and the environment within the union (European Commission, Directorate-General for Communication, 2020). The precursor to the EU as it operates today, was established in 1951 when The European Coal and Steel Community was formed (European Union, n.d.). This community was formed with the desire to maintain peace in the aftermath of the two World Wars that had been raging on during the previous decades. Moreover, there was an explicit aim to create a common market (Schütze, 2021).

The EU's trade policy has made it possible to reduce or eliminate duties on imports to the EU, resulting in reduced or no duties on almost three quarters of all imports to the union (European Commission, Directorate-General for Communication, 2016). Products that are brought into the EU need to correspond to standards and this is checked at the borders. Risk information about potentially dangerous goods is exchanged between involved actors to reduce the risk of

unauthorised goods entering the union. Overall, risk management is used to allocate resources to the right places, identifying high-risk cargo in good time (European Commission, Directorate-General for Communication, 2020).

4.2.2 National customs administrations

Besides the central customs union, national customs services in the member states collaborate and carry out the day-to-day operations within customs procedures. In the EU customs union, there are national customs services in all EU countries which collect useful data to the union (European Commission, n.d. a). The Swedish Customs is an example of such national customs administration. It is an authority that works towards ensuring that only authorised goods are taken into the country. They work on behalf of the Swedish government and ensure that rules connected to bringing goods into the country are followed and that the right fees and taxes are paid (Tullverket, n.d. j).

In Sweden, it is the Swedish Customs that is responsible for conducting controls of companies' customs procedures. They check that companies' imports and exports are declared and that the declarations are made correctly. Moreover, the Swedish Customs also check that companies have well-functioning and good customs routines. Either minor controls or more thorough customs audits can be conducted. In the case of customs audits, the Swedish Customs asks the company questions regarding their business and operations. Moreover, they visit the company. Customs audits are time consuming, so to save both money and time, it is desired to have well-functioning customs routines in place. Depending on the finding of the audit, refunds, charges, crime suspicions or withdrawn permits can be the result (Tullverket, n.d. w). To ensure that a company handles customs in a correct manner, it is important to have good internal routines. A company needs to have knowledge about customs and updated routines based on changes that occur within the area. Further, one routine that the Swedish Customs recommends for companies is to follow a transaction in the internal enterprise resource planning system (ERP-system). Thereby ensuring coordination between procurement, warehouse management, accounting and customs declarations. They call this routine a transaction test (Tullverket, n.d. v).

4.2.3 Customs brokers

A customs broker is hired, either by an exporter or importer, to do the customs declaration for them. There are two ways of being a customs broker, either by being a direct or an indirect one. The indirect one is less common and is when the customs broker is claiming to be the declarant on the declaration. The direct way is the most common approach and means that the importer or exporter is claimed as the declarant, while the customs broker is mentioned as a separate agent (Tullverket, n.d. g).

4.2.4 Freight forwarders

Some freight forwarders have committed to manage their customers' customs needs to offer a value adding service as a competitive advantage. Since many global transport actors operate in a highly competitive market, their ability to deliver fast is crucial. A key factor to ensure efficient flows of goods is to manage the customs in house as this contributes to an increased reliability. Due to small increases in speed from the different modes of transportation, network efficiencies have been targeted instead. For that reason, customs clearance, amongst other network functions, has been a well targeted opportunity (Appeals & Struye de Swielande, 1998).

4.3 Alternative customs procedures

This subchapter presents alternative customs procedures which are used when the purpose of the export or import differs from the ordinary. From a business perspective it can in these cases be desired to conduct the declaration process in a different way than the generic procedure, to gain benefits.

4.3.1 Transit

Using a transit customs procedure is a way to postpone the payment of costs related to an importation. Overall, declaring goods to customs is carried out at a customs union border. An exception to this is when a transit is used as this enables the customs clearance to be carried out at the goods' point of destination instead of at the union border (European Commission, n.d. o).

Using a transit customs procedure leads to less administration and lower costs for operators. The so-called Union transit and Common transit are two of the main transit systems which are relevant for different situations. Both the union and common transit procedures could be divided into two categories, T1 (external transit) and T2 (internal transit) procedures. T1 refers to transportation of non-Union goods whilst T2 refers to transportation of Union goods (European Commission, Directorate-General for Taxation and Customs Union, 2021).

As mentioned previously, it is in some cases desired to pay the taxes in another country than where the goods enter a customs union due to different fiscal territories within the same customs territory (European Commission, n.d. o). This sort of transit is called a T1-transit (Tulli, n.d. c), which is illustrated in Figure 9.

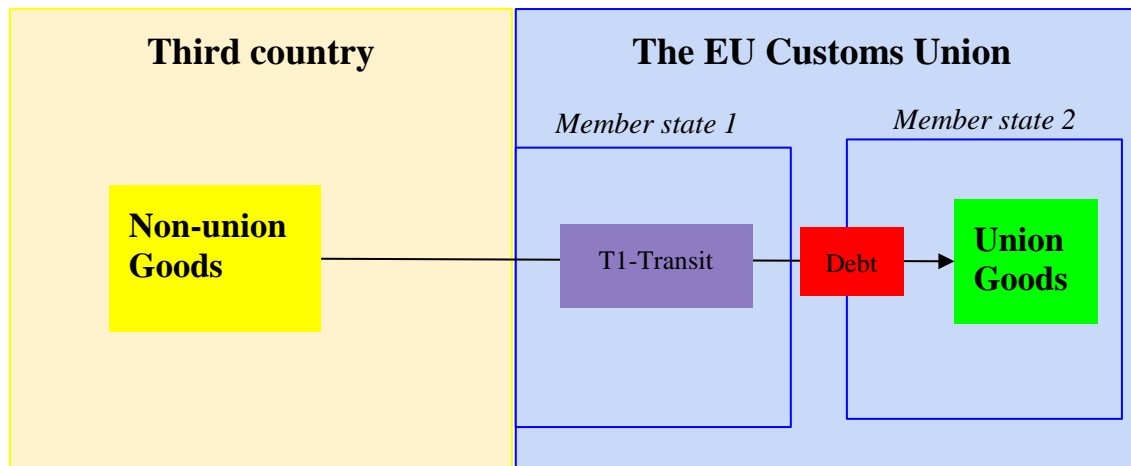


Figure 9. Transit procedure T1-transit (modified by the authors based on European Commission, (n.d. o) and Tulli, (n.d. c)).

4.3.2 Outward processing

If a company exports Union-goods temporarily for refinement outside of the EU before the goods are re-imported again, outward processing could be suitable to incorporate in the customs management. This procedure enables the company to re-import the goods after the refinement process to a lower, or eliminated, customs duty and VAT. Some of the prerequisites for this procedure is that the company has a certificate issued by a national customs administration, and that the company is established in the EU. Another prerequisite is that there must be a customs duty applied for the goods in question in case of a normal import procedure (Tullverket n.d. s).

4.3.3 Temporary admission

Temporary admission refers to situations where goods are to be imported only for a short period of time, and then re-exported. Trade fairs and music shows are examples of these situations. Apart from the common rules that apply when importing, the basic principles are that the goods subjected to temporary admission must be identifiable, unchanged while being imported. In case of temporary admission, the customs duties can be either zero or partial, and the time limitation is 24 months of the procedure (European Commission, n.d. s).

4.4 Regulations for customs

This subchapter presents laws that actors need to consider when structuring customs procedures. This involves laws enacted by the EU and the member states. Further, the concept of Incoterms® is described.

4.4.1 Customs laws

The EU has many kinds of legal documents, where some are binding, while others are optional (Europeiska unionen, n.d. a). The goal of the legal documents is to contribute, in different ways, to the treaty of the EU (Europeiska unionen, n.d. b). In the European Customs Union, it is the

Union Customs Code (UCC) that is the legal framework to follow, and its main goals is to strive for speed, service and simplicity (European Commission, n.d. k). As mentioned previously, goods within the EU are allowed to flow freely without any fees at the internal borders (European Commission, n.d. a). In Sweden, there are some national specific laws applied regarding customs (Tullag - SFS 2022:1496). Moreover, there is a Swedish law regarding the customs administration's powers at Sweden's border with another country within the European Union (Tullverkets befogenheter vid Sveriges gräns mot ett annat land inom Europeiska unionen - SFS 2022:1494) and law regarding smuggling (Lagen om straff för smuggling - SFS 2000:1225). All of them are complements to the European Parliament's and Council's commissions (Tullverket, n.d. w).

4.4.2 Incoterms®

After the first world war, the International Chamber of Commerce (ICC) was formed with a desire to harmonise businesses' agreements and operations, by creating global standards (ICC, n.d. a). In 1936, the first Incoterms® were released, which is the name for ICC:s compiled international commercial terms (ICC, n.d. b). The Incoterms® are entirely international in their character, for them to be applicable everywhere in the world (ICC, n.d. b). Incoterms® is a way to reduce misunderstandings in agreements by clearly stating which costs, obligations and risks that should be paid and borne by the buyer respective the seller (ICC, n.d. c). Depending on how the responsibilities are divided in a purchasing contract, one of the eleven different Incoterms® could be applied (ICC, n.d. d).

According to Segal (n.d.), the most evident advantage of using Incoterms® is that it becomes easier to formulate agreements since there are pre-made choices which will lead to cost and time savings. However, different Incoterms® are not equally beneficial to both the buyer and seller, which means that there might be conflicting interests when deciding on which of the Incoterms® that should be used. Depending on the Incoterms® chosen, the freight cost will be different for the importer (Segal, n.d.). Incoterms® affect how the freight cost is incorporated by the seller, either in the product price or as an additional freight cost. This will lead to implication when it comes to the procedure of calculating the economic value (Tulli, n.d. e). In the two figures below, the eleven Incoterms® are presented.

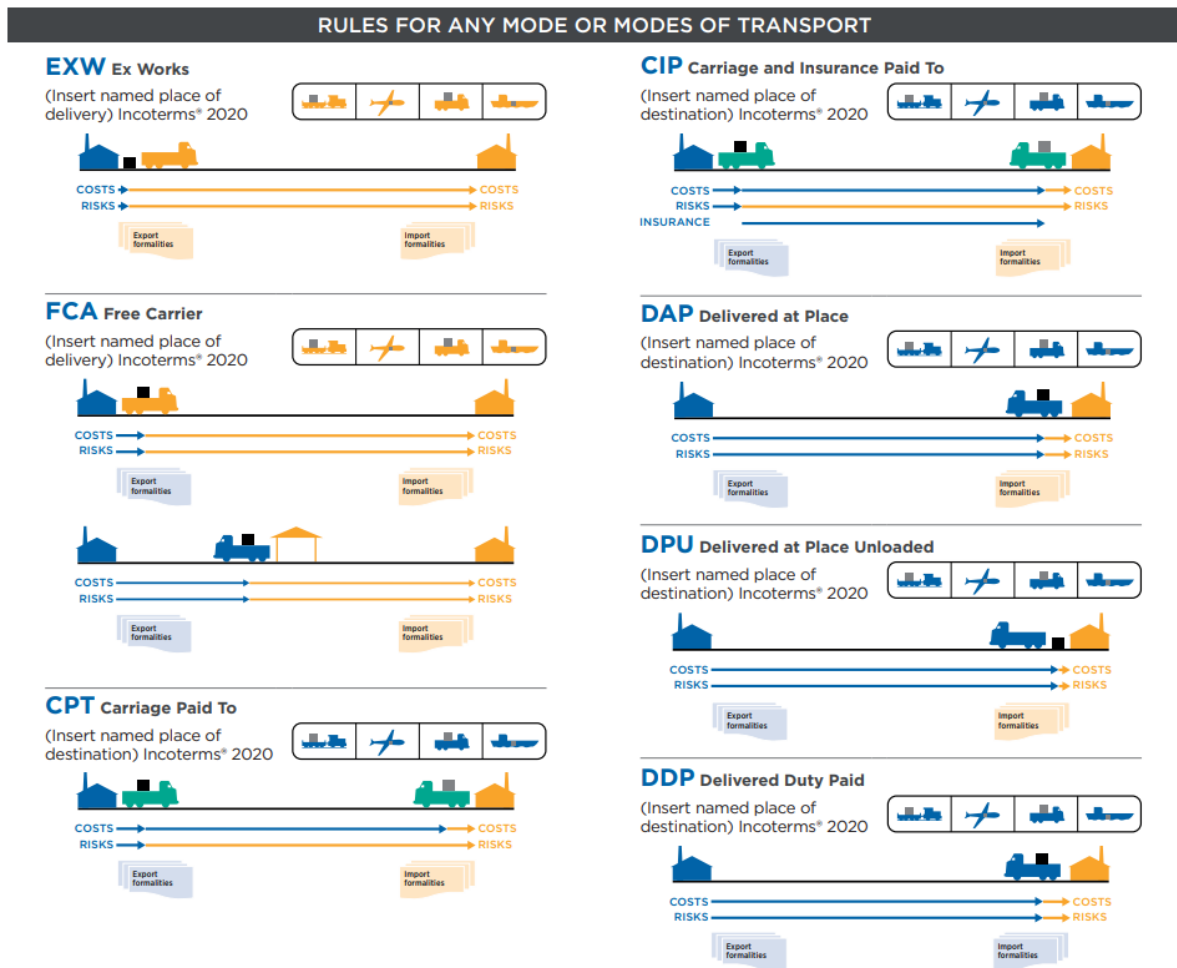


Figure 10. Seven Incoterms® for all modes of transport (ICC, n.d. d).

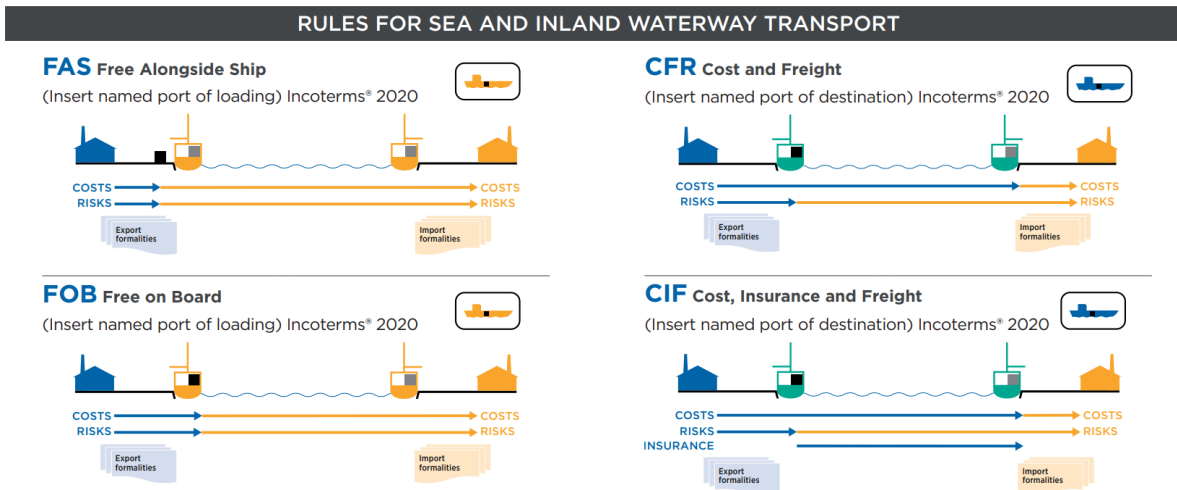


Figure 11. Four Incoterms® for sea and inland waterway transport (ICC, n.d. d).

4.5 Certificates

Within the EU, there is a common electronic system for applications of certificates, called Customs Decisions System (CDS). Applications, revocations and changes of certificates can be done within the system. One example of a certificate which is handled within the CDS is outward processing. In Sweden, a prerequisite for a company to use this system is that they have access to the Swedish Customs e-services (Tullverket, n.d. ac). For a company to have access to these services, at least one employee at the company needs to register as an authorised administrator. Further, the company needs to have an EORI-number and be established within the EU. The authorised administrator is subsequently responsible for personal authorisations, the company thereby accesses the services through this chosen person (Tullverket, n.d. af). Some examples of procedures that a company can access through the e-services are collecting proof of export, reviewing economic values of imported goods for VAT purposes and applying for certificates. Moreover, it is possible to access all the customs-ID:s that have been conducted on behalf of a company (Tullverket, n.d. aa).

When having a certificate issued by the Swedish Customs, it is required for the company to have documented routines for customs handling and to keep updated on related laws. Moreover, if circumstances change, it is the company's responsibility to announce this to the Swedish Customs as it can affect the certificate. If permits are used incorrectly and are non-compatible with the customs legislation, permits can be withdrawn, temporarily or permanently, or revoked (Tullverket, n.d. h).

Below, certificates, permits and authorisations required for specific cases will be presented concisely.

4.5.1 Supporting documents and power of attorney

First and foremost, supporting documents of different kinds are important to have and keep when it comes to customs matters. The supporting documents can vary depending on the character of the shipment, but it commonly regards the corresponding invoice, transportation documents, carriage account, packing list and importing or exporting permits. If the customs declaration is done via post, it is necessary to send them in together with the declaration. However, this is not needed if the declaration is done online (Tullverket, n.d. k; Tullverket, n.d. x) but the company needs to be able to show the documents for the Swedish Customs if requested (Tullverket, n.d. k). When importing, there are potentially additional documents that are of interest such as proof of export from the exporting country and certificate of origin (Tullverket, n.d. k).

All supporting documents are needed to be kept for at least five years after the year following the year of submitting the declaration in case the Swedish Customs wants to investigate the documents (Tullverket, n.d. d). However, if any specific constitution or rule states that supporting documents need to be kept for more than five years, that rule applies (Tullverket,

n.d. k; Tullverket, n.d. x). In case of being an AEO certificate organisation (described under subheading 4.5.8 *Authorised Economic Operator*), the supporting documents need to be stored according to specific regulations (Tullverket, n.d. k).

For the customs broker to be allowed to operate in Sweden, it needs to be registered at the Swedish Customs. Moreover, it needs to have a Power of Attorney (POA) from its customer to be able to do the declaration on their behalf (Tullverket, n.d. g).

4.5.2 Economic Operator Registration and Identification number

In order to export, import and conduct overall customs matters within the EU, an EORI-registration is required. EORI is an abbreviation for Economic Operator Registration and Identification and it can be applied for free in the country where the economic actor is established (Tullverket, n.d. a).

4.5.3 Call me-codes

For the declarant to be able to announce to the Swedish Customs that certain conditions are to be applied, call me-codes can be used. This is used so that the Swedish Customs knows what to control regarding a particular shipment (Tullverket, n.d. ad).

4.5.4 Import and export restrictions and dual use

There are in some cases certain import and export restrictions that apply to certain kinds of goods that cross borders. In these cases, call me-codes are used to announce its departure or arrival to the Swedish Customs (Tullverket, n.d. y; Tullverket, n.d. z). When it comes to export, permits are oftentimes required for weapons, vaccines, garbage and historical items. In some cases, sanctions are needed to be considered too (Tullverket, n.d. y). Regarding import restrictions, they are usually caused for trade policy reasons, safety reasons, security reasons, health reasons and to prevent contamination. Import permits are required for tobacco, alcohol, drugs, medicine, weapons, endangered animals, etc (Tullverket, n.d. z).

Some products have dual uses, where its usage after importation or exportation within the EU can be harmful. In these cases, it is required to have a licence. It is the authority “Inspectorate of strategic products” that issues these kinds of permits in Sweden (Inspectorate of strategic products, 2017).

4.5.5 Certificates for origin

As previously mentioned, it is important to state the origin of goods. The aim is, amongst others, to enable preferential customs tariffs (Tulli, n.d. a). There are various ways of doing that (Tullverket, n.d. ae) and some of the variations will be presented below.

In case that the consignment of goods of origin does not exceed 6 000 euros, it is sometimes possible to create a *declaration of origin* for the exporter on invoices, without having any

permits (Tullverket, n.d. u). To create a *declaration of origin* for any value of goods, it is required to be an *approved exporter* which requires a permit. The benefits of using this sort of certificate of origin is that no stamps are needed to collect from the Swedish Customs or a chamber of commerce (Tullverket, n.d. r).

However, this type of declaration of origin is not acceptable by all trade agreements. Depending on the country of destination, different sorts of assurances need to be stated. In case the goods will be exported to for example Japan, Canada, Great Britain or Vietnam, it is required to be a registered exporter (REX) (Tullverket, n.d. r). REX refers to the whole system that is used in order to ensure that only legitimised exporters are stating the origin (European Commission, n.d. u). It is only needed to apply for REX once and then it is valid for further situations. The application can be done online, yet some requirements need to be fulfilled, such as being registered at the Swedish Companies Registration Office, having an EORI-number and supporting documentation for the origin (Tullverket, n.d. t). In all cases where origin is stated, it is required to be able to support the stated origin (Tullverket, n.d. u; Tullverket, n.d. r; Tullverket, n.d. t; Tullverket, n.d. ae)

Between Turkey and the EU, there is a specific agreement which enables goods in any of the two countries that are free for circulation, to be imported to the other country duty free. To benefit from this, an A.TR.-certificate attests that the goods are applicable. These benefits are applied only to certain commodity codes, and it is not a statement of origin. If having a permission to issue A.TR. certificates, it can be stamped by companies themselves, otherwise it needs to be issued by the Swedish Customs. In order to have the permission, recurring exports are required (Tullverket, n.d. p).

4.5.6 Proof of export

When goods have been registered as sent abroad, it needs to be proven that it really has been sent out (Skatteverket, n.d.). This can be required for instance by the Swedish Tax Agency or to end a temporary admission etc. (Tullverket, n.d. ab).

In order to get a proof of exit, the customs office where the goods exit the EU has to confirm the exit. It can either be done during the exit, by showing the goods and an export accompanying document (EAD) to the customs office of exit from the EU, or afterwards (Tullverket, n.d. ab). An EAD is provided with a master reference number (MRN) and an approval from the Swedish Customs that the goods are released for export (Tullverket, n.d. o). If the proof is needed retroactively, the EAD and other supporting documents of the export are submitted to the office of export in Sweden and they will provide the proof of export (Tullverket, n.d. ab).

When it is the exporter that is responsible for the transportation, an invoice with corresponding certificate of exit from a customs authority is needed. When the exporter is not responsible for the transportation, it is still the exporter's responsibility to acquire supporting documents. This

could for instance be transport documents, certificate of exit from a customs authority or proof of importation to the receiving country. In some cases, the buyer can give a document of intention with information of how and where the goods will be transported, however, this needs to be confirmed after the goods have been delivered, for instance with receipts or tickets (Skatteverket, n.d.).

4.5.7 Outward processing

To conduct outward processing, there are some requirements, such as having a permit. When applying for this permit, information about the products and refinement process needs to be stated. For example, it must be possible to state that the exported products are part of the re-imported products (Tullverket, n.d. q). This permit can be applied for directly through the export declaration. Alternatively, the application could be done through the EU:s common system for applications, CDS (Tullverket, n.d. q).

4.5.8 Authorised Economic Operator

To be an Authorised Economic Operator (AEO) is a part of the EU's goal to harmonise the internal market, at the same time as making it more secure. Customs administrations provide the legitimacy of being an AEO once a company has applied for it and met all the requirements. The requirements cover, amongst other things, the financial stability of the company, the company's ability to submit to legal requirements and the internal competence regarding customs (Tullverket, n.d. ag). Any actor along a supply chain is entitled to apply for an AEO certificate, and once having it, it increases the reliability of the company and will lead to benefits such as simplified customs procedures and increased safety, due to the increased legitimacy and possibly need for a decreased guarantee (Tullverket, n.d. ah).

4.6 Supply chain management

Before describing the concept of supply chain management, it is relevant to define what a supply chain is. Wisner et al. (2018) describe a supply chain as the process of developing finished products from raw materials. For this process to be possible, several actors are involved, such as raw material suppliers and end-product manufacturers. The product could undergo several refinement processes conducted by different actors and lastly, the product ends up with an end-product consumer. When discussing and visually explaining a supply chain, the company placed in the centre of the chain is often referred to as the focal firm. Supply chains can vary in their structure, with varying numbers of suppliers, customers and other intermediate actors. Oftentimes, products move in one direction within a supply chain, from some type of raw material supplier to an end consumer. Reverse flows occur in the event of recycling and returns but the main goods flow moves towards the end-consumer. Besides the goods flow, information flows occur in both directions in a supply chain, together with planning and activity integration (Wisner et al., 2018). A generic supply chain is pictured in Figure 12 below.

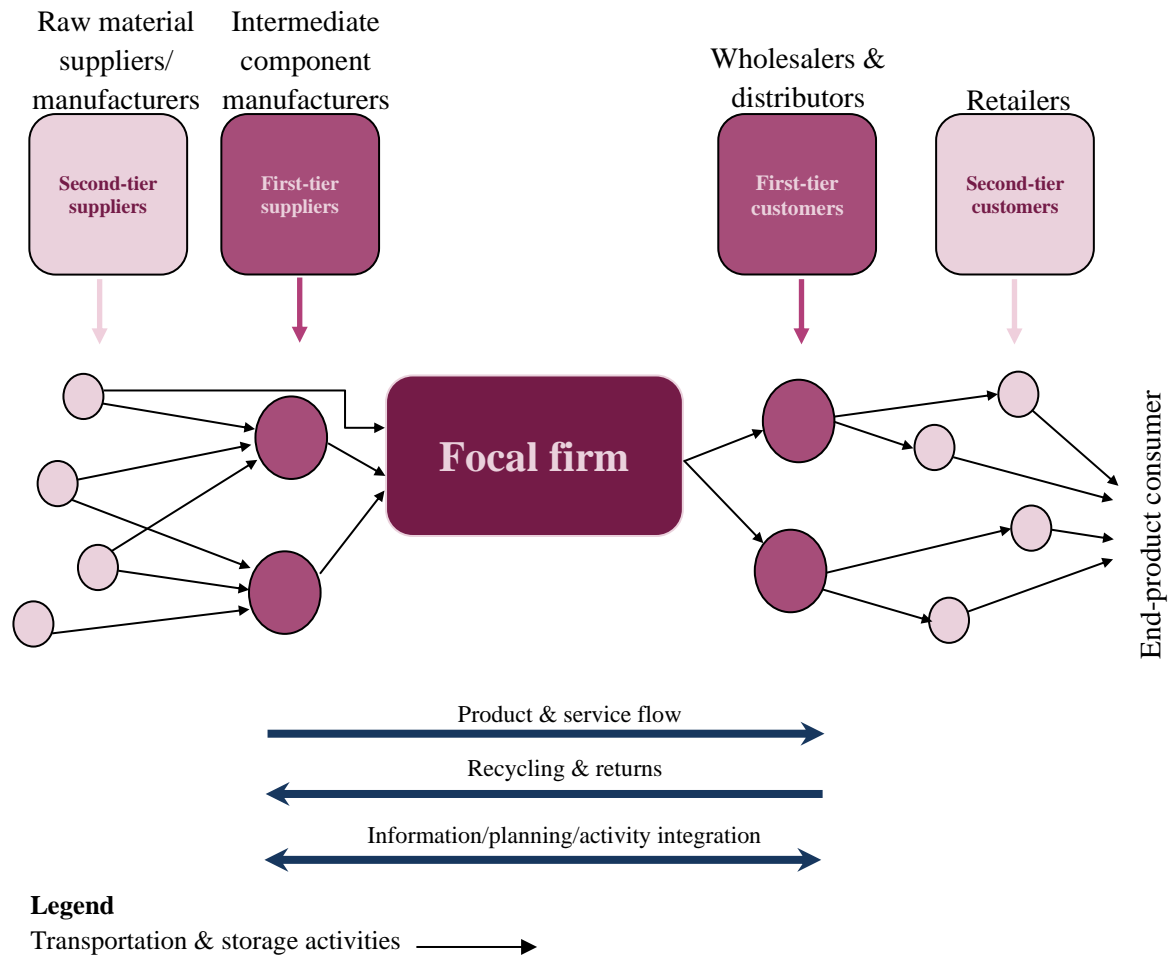


Figure 12. A generic supply chain (modified by the authors based on Wisner et al., (2018), p. 6).

Supply chain management is thus the act of coordinating all these steps, emphasising terms such as coordination, collaboration and integration. The definition of supply chain management provided by The Institute for Supply Chain Management (ISM) is as follows, “*The design and management of seamless, value-added processes across organizational boundaries to meet the real needs of the end customer.*” (Wisner et al., 2018, p. 7). Information sharing among companies is central for successful supply chain management and when this is achieved, all participants in the supply chain benefit (Wisner et al., 2018).

Besides the suppliers and customers that often are included in a focal firm’s supply chain, different service providers play a major role in the process of providing high-quality finished goods to end-customers to a low cost. Freight forwarders, shipping companies and supply chain consultants are examples of service providers that enable efficient global trade for companies. Also, customs brokers can contribute with their knowledge about customs and required documentation. This can lead to more time-efficient movements of goods across borders. The time aspect is important within supply chains as customers have requirements regarding when in time they need a specific product or service. Efficient logistics is of major importance to be

able to provide the customers with products at the right time, which is referred to as time utility. Another fundamental principle within logistics is place utility, simply meaning that the right product is provided to customers in the right place (Wisner et al., 2018).

4.6.1 Customs and supply chain management

Linked to the area of customs within supply chain management, the so-called SAFE Framework of Standards becomes interesting. This framework provides security measures for supply chains and reflects the importance of well-developed procedures for customs handling and emphasises the connection between customs and supply chain management. The SAFE framework was adopted by the WCO members in 2005 and has since then been updated regularly based on current developments within the area of international supply chains. Customs is a useful tool to increase security within global supply chains, however, it needs to be managed in a way that does not hinder the movement of goods in some way. Some of the goals with the SAFE framework is to create opportunities to integrate and harmonise supply chain management and to contribute to co-operation between customs administrations. By collaboration between these actors, high-risk consignments can be detected. The framework also aims to strengthen the cooperation between customs administrations and businesses. Through customs, the security within international supply chains can be increased and this can lead to more seamless goods movements (World Customs Organization, 2021).

Further, World Customs Organization (2018) describes the SAFE framework as a kind of starting point for increased security among supply chains. The framework emphasises the importance of stronger relationships between customs administrations and businesses. Overall, co-operation between all the involved actors within customs is important to increase the security within supply chains. World Customs Organization (2018) emphasises the importance of sharing accurate information throughout supply chains when increasing the safety and security. Commercial data about the goods under movement needs to follow the physical flow of the goods to enable a smooth flow. This aspect is also highly relevant in order to, as early as possible, perform risk assessment (World Customs Organization, 2018).

4.7 Information, knowledge and communication

According to Iveroth et al. (2018), development of knowledge about specific, distinctive, areas, can lead to competitive advantages. Overall, the level of knowledge among employees within a company can vary considerably. To develop an increased overall knowledge about a specific topic within an organisation, individual engagement is important. Today, it is possible to search for information from many different sources. However, some basic knowledge about the area is needed to be able to know what to search for. For an organisation, an overall knowledge about a specific topic is needed to develop in-depth knowledge and thereby contribute to competitive advantages. An increased complexity within organisations leads to an increased need for knowledge. A reason for an increased complexity within organisations can be more involved stakeholders, conducting businesses with more markets and the accessibility to more

data. To be able to handle all this information and increased organisational complexity, models and framework is a useful tool to increase the attention for a specific area and provide guidelines on desirable acting (Iveroth et al., 2018).

Communication is of great importance when developing a business and handling the day-to-day operations. Knowledge within an organisation is not useful if there is no model which visualises how to use it. Information needs to be interpreted and put in the situation of the organisation to develop useful knowledge. Here, communication with actors both internally and externally is important to develop efficient processes. Related to the area of communication, some researchers emphasise the importance of involving employees from all levels within a business in the dialogue. If doing so, the organisation can together develop a comprehensive picture over their operations (Iveroth et al., 2018).

When it comes to organisations and the theories related to them, stability and change are commonly discussed. There is a continuous need to change in various areas within organisations, which requires change management. However, there is at the same time a limit to how much an organisation can change since it is costly. Not only does it cost to implement new procedures, but the cost also comes in the shape of conflicts and resistance to change. Today, there is an overall realisation that change is necessary, however there is still a reluctance towards change which keeps companies back from changing (Eriksson-Zetterquist et al., 2012).

4.8 Risk management

When it comes to management, risks are always present. Risks are possible to expect while uncertainties are not. Risks are not completely predictable but there is a probability that they will occur. Uncertainties are characterised by being highly unique (Knight, 1921). Risks are commonly associated with the negative outcome of causes but are also related to opportunities of gaining something (Korecký, 2012). When looking closer at businesses, they are all operating on the premises of risk since if there were no opportunity to gain, they would not be operating (Project Management Institute, Inc., 2021).

To manage risks, two things need to be considered. Firstly, the source of potential disruption needs to be identified and secondly, the impact of the risk needs to be identified. By identifying these factors, a probability of estimated consequences will be given and it can further on be used in order to prioritise where and how to manage the risks (Jacobs & Chase, 2017).

A change has taken place regarding how risks are approached, at least for some companies. Instead of looking at a particular risk in isolation, it is nowadays common to look at risks as interrelated with each other, in a far more complicated manner. This way of considering risks is called Enterprise Risk Management (ERM). If companies manage their ERM well, a great competitive advantage can be achieved (Nocco & Stulz, 2022).

4.9 Cost of customs

Cost of customs can be categorised into three different kinds according to Branch (2009); direct duties, the costs of conducting business according to established customs regulations and lastly opportunity costs related to customs procedures. The paper of Haughton and Desmeules (2001) has the goal to identify responsibilities and consequences related to customs. In Figure 13 below, it is visualised that when more responsibilities are met, it will lead to an overall lower cost since the costs of consequences from unfulfilled responsibilities will decrease as the degree of responsibility arises. The costs of neglecting the responsibilities stems from potential customs audits that might be needed to go through, penalties for non-compliance and need to check goods more in depth due to impaired legitimacy of the company (Haughton & Desmeules, 2001).

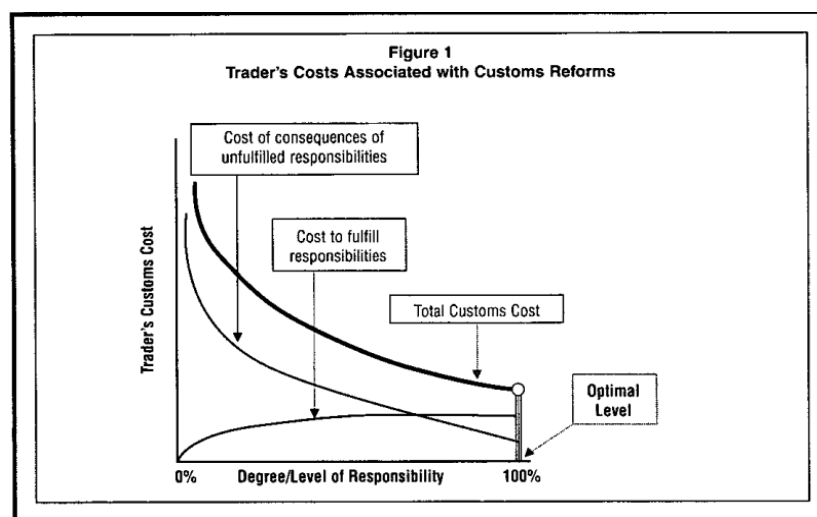


Figure 13. Trader's costs associated with customs reforms (Haughton & Desmeules (2001), p. 66).

4.9.1 Implication of customs duties

It is according to Branch (2009), important to have a thorough customs planning strategy. The strategy should cover both the inbound and outbound logistics, to minimise customs duties and compliance costs, and maximise the use of assets. Yet, at the same time, decrease the risks of not meeting the requirements of customs. When sourcing, it is strategic to consider customs since the same product will be subject to different customs tariffs depending on which country it is sourced from. If sourcing a TV from Malaysia the tariff may be 14 %, while it may be 7.3% if it is sourced from South Africa or 0% if it comes from Poland (Branch, 2009). Moreover, the customs costs can account for approximately 7-15% of the landed merchandise's value (Haughton & Desmeules, 2001).

5. Current state at the case company

To define improvement potentials at the case company, this chapter presents how customs are handled at the company today. Solely empirical findings from respondents at the case company are presented which have been collected through interviews according to Table I.

As discussed in subchapter 4.1.3.2 *Customs tariff*, there are several nomenclatures that could be used for classifying goods, such as HS-, CN- or TARIC-codes. In the following chapters, the term commodity codes are used as a common term for all these divisions. Furthermore, a summary of how customs is handled at the case company today is presented with a rich picture in *Appendix VI*.

5.1 The supply chain

The case company has one site in Sweden with office and production. To this site, they buy components, raw material, chemicals and packing materials for their manufacturing process. The components are refined into finished and semi-finished products which are divided into two assortments, where one of them is sold in kits. Besides this, they also purchase finished and semi-finished goods (Supply chain manager, 2023-03-29).

The case company has many different vendors from different parts of the world. Outside of the EU, there is a company with a manufacturing plant which the case company has close collaboration with. This plant manufactures similar products as the case company. For one of the case company's products, they have outsourced one production step to this external manufacturer. This means that semi-finished products are transported from the Swedish site to an external manufacturer for a refinement step before being transported back to Sweden. This is presented in Figure 14 below (Supply chain manager, 2023-03-29).

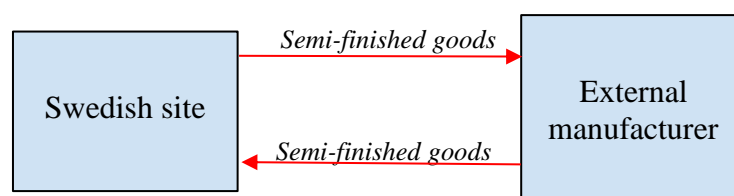


Figure 14. Refinement process with external manufacturer (created by the authors, based on Supply chain manager (2023-03-29)).

The finished goods are sold and sent to four distribution centres within the EU, two distribution centres outside of the EU and external customers, referred to as Direct export customers (DEX). DEX are companies located both within and outside the EU (Supply chain developer, 2023-03-10). When handling the freight flows to DEX, the SCM describes how the case company could be more proactive to increase the efficiency. This could for example be more knowledge about which country-specific documents that are needed for exportation (Supply chain manager, 2023-03-29).

The case company uses customs brokers who conduct all of their import and export declarations. These declarations are registered to the Swedish Customs by the customs brokers (Supply chain developer, 2023-03-10). According to the SCD, they commonly choose the broker suggested by the vendor, but are at the same time concerned not to have too many different brokers. Currently, the case company has given POA to five different brokers who can conduct their declarations. These POAs are valid until recalled, or maximum five years, which is the responsibility of the case company to update. The broker uses information stated on the vendor invoice, to conduct the import declaration (Supply chain developer, 2023-03-10).

The Supply chain manager implied that higher up amongst the managers, there is knowledge and understanding about the risks and the importance of functional customs procedures. However, the consequences of not fully functional procedures might be lacking. It is to the SCM currently unclear who has the responsibility of customs procedures and who is managing them today but if the company would be selected for a customs audit, it would be handled by the supply chain department. Knowledge about customs could exist at other departments without the SCM's knowledge. When it comes to customs overall, the SCM sees that good customs procedures could lead to savings and beneficial control. Currently, the SCM questions whether the supply chain department has sufficient education about customs (Supply chain manager, 2023-03-29). Moreover, supporting documents might not be compiled currently, which will lead to timely processes in case of customs audits where supporting documents need to be presented (Supply chain developer, 2023-03-24).

5.2 Incoterms®

For inbound deliveries, the Incoterms® FCA and DAP are commonly used. For outbound, DAP is used to deliver to their distribution centres (Supply chain developer, 2023-03-09). For DEX, mainly EXW are used. However, in some cases DAP, CFR and CIP are applied too (Supply chain developer, 2023-02-07).

According to the SCD, the negotiated Incoterms® affect their responsibilities regarding customs and VAT (Supply chain developer, 2023-03-10). There is a desire from the Supply chain manager to be involved in the negotiations of Incoterms® earlier on, since it affects the logistical flow (Supply chain manager, 2023-03-29).

According to the case company's agreed Incoterm® DAP for inbound deliveries, the vendor is responsible for hiring the freight forwarder to the Swedish site. When the import declaration is to be conducted on behalf of the case company, it is the case company themselves that can choose their declarant depending on their preferences, suggestively price. However, the vendor can suggest whom to use, and it might be beneficial to choose this one due to previously good collaboration and time efficiency (Supply chain developer, 2023-03-10).

According to the SCD, it is beneficial for the financial department to have EXW for outbound flows, but it comes with some disadvantages seen from a logistical perspective. One example of a disadvantage is the complexity for the seller to get a proof of export which is needed. Since it is the buyer that bought the transport service, the seller has no right to receive the proof of export (Supply chain developer, 2023-03-10). The implications of having EXW on export is understood by the SCM and could suggestively be managed by better internal communication (Supply chain manager, 2023-03-29).

5.3 Classification of goods

Before the components are imported to the Swedish site, they are classified by the vendors. The commodity codes are stated during the procurement process and registered in the case company's ERP-system. The SCD mentions that they often apply the same commodity code in their import declaration as the vendor provides, instead of conducting re-classification. The commodity codes for the main components are the same used for the finished products that they manufacture (Supply chain developer, 2023-03-10). In some cases, the case company has consulted the Swedish Customs to ensure that their commodity codes are correct (VAT controller, 2023-03-22). However, when and how this was done, and by whom, is something that the SCD has no information about (Supply chain developer, 2023-03-24). The SCM is aware of how important the classification is and claims that an internal audit would be beneficial to make sure that the right commodity codes are used. The SCM claims that there is a particularly high supply chain complexity when managing kits and additional difficulties when classifying them. In summary, to the SCM's knowledge, the company has not got a process for ensuring the right commodity code (Supply chain manager, 2023-03-29).

For exportation, Planner 2, who is responsible for managing the distribution of products, handles HS-codes on a daily basis when creating invoices. The HS-code is given by the ERP-system (Planner 2, 2023-04-19). Planner 3 is responsible for importing some sorts of raw materials but does only sometimes know what commodity code it regards. Planner 3 described that there is not sufficient knowledge or set routines for classifying or stating the origin of new products added to the assortment or when production is moved abroad. However, for current products, the employee that is responsible for the respective product is expected to provide a correct commodity code and origin (Planner 3, 2023-04-20). Planner 4 is responsible for distributing some goods, and for these articles the planner knows which HS-codes it regards. These are known since they were given to the planner when the planner started working at the company (Planner 4, 2023-04-20).

5.4 Origin of goods

When the case company imports, it is the vendor who has stated the origin and ensured the accuracy by getting the certificate stamped by the vendor's chamber of commerce. By making an ocular inspection of the stamp, the case company ensures the authenticity of the certificate (Supply chain developer, 2023-03-10).

None of the four planners do state the origin of the goods that they prepare for exportation (Planner 1, 2023-04-04; Planner 2, 2023-04-19, Planner 3, 2023-04-20; Planner 4, 2023-04-20). However, for exportation, the case company's customer service creates the certificate of origin based on information presented in the company's ERP-system. The document is then sent for verification and stamping to the West Swedish Chamber of Commerce. The SCD mentions that the company can state the origin of their manufactured goods. However, there are currently not prepared documents with the required information to reinforce the origin of their products, for example in case of a customs audit. If it would be required, the R&D department, the operations department and managers at higher levels would have to be involved (Supply chain developer, 2023-03-10).

5.5 Customs Valuation

According to the SCD, the responsible broker conducts customs clearance including customs valuation and thereby determines the value of the imported and exported goods. For exported goods, as with the origin of the goods, the customer service also retrieves information about the products' value from their ERP-system. The finance department is currently the only ones who can adjust the prices (Supply chain developer, 2023-03-10). Moreover, planner 2 acknowledged that there needs to be a value of the goods stated on invoices in order to enable export (Planner 2, 2023-04-19).

5.6 Internal monitoring

As mentioned previously, all the case company's import declarations are made by their customs brokers. The case company is informed about import declarations that have been made on their behalf through a specifically dedicated mailbox for customs matters. However, the SCD cannot ensure that the supply chain department gets all the import declarations from the different goods flows to this mailbox (Supply chain developer, 2023-03-24). Brokers and freight forwarders, that have received a POA to conduct the case company's declarations, should send a copy of the import declarations to the mailbox which the case company thereby can control. In some cases, the import declarations are sent to the case company by post. According to the SCD, these documents should end up at the SCD:s desk but can not ensure that they do so today. In summary, the SCD mentions that there are some uncertainties regarding whether all declarations are received by the supply chain department for importation, some could be sent to other departments which the SCD is not informed about. According to the SCD, the import declarations are only checked by the SCD. The declaration check is made through an ocular inspection of the documents where the commodity code, invoice and origin stamp are reviewed.

If incorrect or unclear information, the SCD ensures correct data by consulting other departments (Supply chain developer, 2023-03-10).

Currently, the supply chain department receives import declarations at least once a week for the major goods flow and additionally some declarations arriving more irregularly. The inspections are made approximately every other month. The SCD thinks it would be beneficial to conduct inspections more often but this is not done due to lack of time (Supply chain developer, 2023-03-10). The Swedish Customs send out invoices to the case company on imported goods. However, to the SCD's knowledge, the SCD has not received any of these (Supply chain developer, 2023-03-24).

The ocular inspection of export declarations is often not possible for the case company to conduct as they do not always get a copy of these documents. When exporting goods, the case company's broker makes the export declaration on the case company's behalf, unless the Incoterm® EXW is used. In this case, the case company has no entitlement to receive proof of exportation (Supply chain developer, 2023-03-10).

The export declarations that are received are uploaded at the company's internal, digital platform online (Supply chain developer, 2023-03-10). Regardless of Incoterms®, the case company has not got a routine for collecting proof of exports (Supply chain developer, 2023-03-24).

Inbound flows to the Swedish site are sometimes transported by using transit. The SCD describes how the freight forwarder ends their transits when the broker gives approval. This is carried out at the Swedish border, which means that when the goods arrive at the Swedish site's warehouse, it is declared and ready to be unloaded (Supply chain developer, 2023-03-10).

To stay updated in customs matters, it is according to the SCD beneficial to have someone responsible for acquiring current changes and relevant information from customs authorities. However, currently there is no such role at the case company and updates are mainly provided by the brokers and freight forwarders (Supply chain developer, 2023-03-10).

5.7 Value added taxes

When conducting VAT declarations, the finance controller at the case company downloads a document with the case company's import declarations from the Swedish Customs website. This document consists of information about the imports that brokers have done on behalf of the case company, for example the economic value of the goods and eventual duties. This provided information is used when calculating the VAT and the case company registers their import VAT monthly (Finance controller, 2023-03-22).

The finance department and the supply chain department at the case company do not have continuous tunings, however they get in contact whenever it is needed. The finance department does not have any contact with customs brokers or freight forwarders, this contact is made, if necessary, through the supply chain department. If the VAT controller needs more documents for VAT-management, contact is made with the supply chain department to inform them that from now on access to these certain documents are required. In the case that a certain document needs to be shown by the VAT controller, the document will be asked for from the supply chain department (VAT controller, 2023-03-31). Currently, it is the VAT controller that is the administrator of the Swedish Customs digital platform (VAT controller, 2023-03-22).

5.8 Certificates

When asking which certificates the case company has, neither the SCD nor the SCM could give exhaustive information about this (Supply chain developer, 2023-03-24; Supply chain manager, 2023-03-29).

Regarding temporary admission, the case company exhibits goods outside of the EU, and could thereby potentially benefit from such a certificate. Yet, the SCD mentions that exportation of goods for exhibition is not something that the supply chain departments handle (Supply chain developer, 2023-03-24). Some of the case company's customers require that the seller is a registered exporter (REX). However, according to the SCD, the customs duty is 0% on the products that the case company mainly sells. Based on this, they have decided to not get this registration (Supply chain developer, 2023-03-10). Further, the case company does not have an AEO certificate but they use customs brokers with this certificate (Supply chain developer, 2023-03-24).

Regarding exportation, the supply chain department does not have a procedure for ensuring that the consignee is qualified for importing the goods to its country. Once, the case company's customer service received a document to sign from a DEX transporter, which was sent to them in order to renounce the transporter's responsibilities regarding the consignee. The document was received when the goods had already been prepared for exportation, which according to the SCD is too late. By signing the document, the case company ensured that the consignee was not on any restricted list, that no export restrictions existed for the exporting goods and that the goods were not classified as dual use goods. The SCD describes that the marketing department has close customer contact and customer knowledge and are thereby the ones that can provide the supply chain department with sufficient information for them to be able to sign such a document. However, there were no set routines for handling such a document at the case company today. In this particular case, the document was sent to a department at the parent company who confirmed that the supply chain department could sign the document (Supply chain developer, 2023-03-24).

6. Empirical findings and analysis

In this chapter, empirical findings from external respondents are presented and analysed based on the literature review and theoretical framework. The empirical findings presented in this chapter were collected through the interviews presented in Table I. The analysis leads to improvement potentials for the case company. The aim with the chapter is to compile all information in order to answer the research questions.

6.1 Incentives for customs management

All respondents have in some way emphasised the gains to be made from good customs handling or the negative consequences of inadequate customs handling. Similar thoughts are also found in the literature review and theoretical framework which in total shows the relevance of the area.

Several incentives for companies to get more involved in customs have been identified and the financial incentive is one of them. As mentioned by Haughton and Desmeules (2001), 7-15% of a merchandise's value can consist of customs costs. When discussing customs valuation and Incoterms®, Hellman (2023-03-16) described how companies can make great financial savings by incorporating the existing rules in an accurate manner. Hellsing (2023-02-21) described how companies can increase their profit by improving their customs handling. This could be linked to Madsen (2023-03-08) who mentioned that companies have a great chance of reducing their customs duties by applying rules in an efficient way based on their business. Similar statement was also made by Hassan (2017) who linked improved customs procedures with possibilities to increase trade. According to Magnusson (2023-03-08), companies are to an increasing extent coming to realise that they can make financial gains by increasing their knowledge about customs. Hellsing (2023-02-21) emphasised the importance of seeing the whole chain when discussing customs since an increased price on a product due to customs matters is imposed on the next actor in the chain. Similarly, Wisner et al. (2018) emphasised the importance of coordinating all steps and actors in a supply chain and that all participating actors can benefit from efficient information sharing. Madsen (2023-03-08) further meant that there are many procedures that companies are not aware of, even though they could be beneficial for them.

Furthermore, another important financial aspect to consider is the additional customs duties which could occur. Magnusson (2023-03-08) described that a consequence of wrong customs handling could be additional customs duties in the event of a customs audit by the Swedish Customs, which could be expensive for companies. The consequences if something is managed in an incorrect way is generally more extensive if the customs duties for the product in question is higher (Magnusson, 2023-03-08). Andersson (2023-03-30) meant that it is common that companies are not aware of the consequences that could occur when something goes wrong with customs procedures, although they are aware of their responsibilities.

Moreover, another identified incentive for increased customs knowledge is linked to a more time-efficient supply chain. This is for example discussed by Wisner et al. (2018) who meant that more time-efficient movements of goods could be a result of increased knowledge about customs and documentation. A consequence of inefficient customs manners could be that goods are stopped at the border (Cerimagic, 2023-03-30; Andersson, 2023-03-30) which in turn could lead to long waiting times (Madsen, 2023-03-08). This should reasonably be avoided given the importance of the time aspect within logistics, which is discussed by several authors. For example, by Wisner et al. (2018) who discussed time utility, and Volpe Martincus et al. (2015) who pointed out the importance of avoiding customs-driven delays to ensure successful foreign trade. Also, Popa et al. (2015) mentioned the time aspect as important which could be handled by using simplified customs procedures. The fact that the time aspect is described as important in supply chains is made more difficult since customs procedures take a lot of time. This is mentioned by Volpe Martincus et al. (2015) and confirmed by IRU (2018) who stated that up to 57% of the total transport time can be spent on customs procedures, in the worst case. Overall, it could be said that the importance of time-efficient goods flows and the extensive time that customs take, could be seen as an incentive for companies to get more involved in customs matters. Moreover, if a company is subject to a customs audit, that audit will be time and money consuming (Tullverket, n.d. w), increasing the incentives for companies to manage their customs management well, proactively.

When talking about customs procedures for a company, it can be discussed from a perspective of risk management. As Nocco and Stulz (2022) emphasised, it is beneficial for companies to look at risks, not in silos but as integrated in the whole company. This increases of course the complexity, at the same time as it can lead to competitive advantage. The negative risks of having goods waiting at the border due to customs matters, or having to pay fees due to wrong payment of customs duties, needs to be compared to the cost of hiring a consultant or changing customs procedures. Haughton and Desmeules (2001), stated that the overall costs will be least when fulfilling all responsibilities regarding customs, so if that is the goal is to minimise the costs, total compliance should be managed.

6.2 Responsibilities

As touched upon previously, importing and exporting companies do have the ultimate responsibility for their declarations (Tullverket, n.d. c; Tullverket, n.d. g) and understanding this, and acting upon it, is something that contributes to a good customs procedure. Today, there seems to be a commonly lacking understanding of the responsibility regarding customs at businesses (Magnusson, 2023-03-08; Hellman, 2023-03-16). According to Magnusson (2023-03-08) it is important not to miss this responsibility, for instance by ensuring internally that correct information is provided to the customs broker. Hellman (2023-03-16) highlighted the importance of acquiring competence, to be able to bear the responsibility. If not having enough competence, it is possible to apply for a BTI to ensure a legally approved commodity code (Hellman, 2023-03-16; Andersson, 2023-03-30), however, that does only ensure a correct

procedure of classification for a specific product. Cerimagic (2023-03-30) often suggests their customers to get in contact with the Swedish Customs which is something that the Swedish Customs suggests too (Tullverket, n.d. c). However, Cerimagic (2023-03-30) anticipated that their customers do not use this service enough.

6.2.1 Involvement of customs broker

Outsourcing customs services to a customs broker is common amongst businesses (Madsen, 2023-03-08), especially in Sweden (Hellman, 2023-03-16). This could potentially contribute to lost understanding of the responsibility, since businesses may believe that the risk also will be borne by the customs broker (Madsen, 2023-03-08; Magnusson, 2023-03-08; Hellman, 2023-03-16). This is more likely if the company is buying both transportation and customs services together (Madsen, 2023-03-08). In a way, it could be argued that there is great information sharing between companies, customs brokers and suppliers in general since commodity codes and origin seems to be passed on and trusted along the supply chain. Shared information is according to Wisner et al., (2018) beneficial for all participants, however, that reasoning does miss out on the fact that the information needs to be correct to be beneficial. The responsibility of controlling the information is therefore crucial and needs to be addressed. The World Customs Organization (2018) furthermore adds that accurate information sharing can increase security and safety by enabling identification of risks.

Cerimagic (2023-03-30) said that the customs broker's prerequisites for conducting correct declarations is dependent on the information that their customers provide. It is not the responsibility of the customs broker to do thorough controls of the provided information. However, it is in the interest of both customs brokers and business that the businesses understand their responsibility since if problems occur, due to incorrect information provided by the customers, the customs broker will face consequences (Cerimagic, 2023-03-30). The idea that businesses believe that they hand on the responsibility to customs brokers has also been observed by Buyonge and Kireeva (2008). The issue regarding responsibility has been questioned by Hesketh (2010), but then the focal point was how it has been divided between the importer and exporter. In order to solve that responsibility issue, more shared real time information was suggested, and it could potentially be the solution even in the situation between customs brokers and businesses.

Based on the current state at the case company, the SCD and the SCM seem to have a good understanding of their responsibilities, but it is not ensured that all employees involved in customs are aware of this. An improvement potential could thereby be to ensure that all involved employees are informed about the company's responsibilities and the consequences if not fulfilling them.

6.2.2 Internal monitoring

Linked to the fact that importing and exporting companies are responsible for the content in their customs declarations, a good customs procedure should involve internal audits of some sort. Cerimagic (2023-03-30) and Magnusson (2023-03-08) claimed that good customs procedures should contain follow-ups internally where declarations, that customs brokers have made on the company's behalf, are controlled. Things that need to be checked on declarations are for instance commodity codes and that constitutional requirements are met (Cerimagic, 2023-03-30). If companies would have follow-ups, Hellsing (2023-02-21) stated that companies would be able to find their mistakes and be able to adjust them, ensuring more correct customs operations in the future.

Cerimagic (2023-03-30) suggested that all declarations should be checked if there are not too many and Hellsing (2023-02-21) suggested having a control once a month. Magnusson (2023-03-08) recommended having internal controls between different departments so that, for instance, registrations to the Swedish Customs correspond to the amount received by the warehouse. Moreover, checks can be done by comparing customs declaration and invoices to ensure that they correspond (Magnusson, 2023-03-08). Coordinating different departments like this is also advocated by the Swedish Customs who calls it a transaction test (Tullverket, n.d. v). Magnusson (2023-03-08) said that companies who are submitted to customs audit sometimes just pay their fees and proceed as usual, not adjusting their mistakes, leading up to new fees if, or when, they are audited the next time. Hellsing (2023-02-21) continued with describing a lack of resources, companies often do not have enough knowledge or number of employees to handle customs in an accurate manner. Hellman (2023-03-16) confirmed this by describing how it is common that companies solely strive for a low customs duty without ensuring correct procedures.

To enable internal inspections, if using a customs broker, the company needs to receive a copy of the declarations. Cerimagic (2023-03-30), meant that the customer should get a copy of all declarations made on their behalf, both for importation and exportation. Furthermore, Hellsing (2023-02-21) meant that some brokers send copies to customers whilst others do not have this as a routine. In some cases, it is up to the customer to ask for a copy of declarations. Hellsing described that customers' reaction to receiving a copy of a declaration varies, some companies see the benefits of it whilst others mainly see it as unnecessary (Hellsing, 2023-02-21).

Due to the existing uncertainties at the case company whether all declarations are subject to an internal ocular inspection, an improvement potential is to coordinate this process better by ensuring that they receive all declarations made on their behalf. In order to access all the declarations made, the Swedish Customs e-services could be used to collect customs-ID, which is stated by Tullverket (n.d. aa). By using these services, a comparison between received declarations and customs-ID:s can be made. A comparison could also be made with the document that the VAT controller gets from the Swedish Customs for calculating import VAT, as this document consists of information about the import declarations made on the case

company's behalf. Missing declarations at the supply chain department could thereby be identified. With this knowledge, measures both internally and externally could be conducted, in order to understand why declarations are missing and how this could be adjusted. Internally, it could be a check if other departments receive declarations that could be of interest for the supply chain department. Externally, contact could be taken with all customs brokers to ensure declarations are provided by well-functioning routines.

Another improvement potential concerns the fact that only one person seems to conduct the ocular inspections. This could be seen as a risk since potential absence might cause delays in the goods flow. An improvement potential could thereby be to share this responsibility among more employees. Potentially, ocular inspections could then be done monthly, instead of every second month due to more resources.

6.3 Complexity

Several respondents explained the area of customs as complex, with many different procedures and rules to take into consideration (Magnusson, 2023-03-08; Hellman, 2023-03-16). Further, it could be described as an area that has become more complex over time (Magnusson, 2023-03-08; Madsen, 2023-03-08). It is also an area that is strictly regulated, the procedures need to be handled according to rules and regulations with limited opportunity to find solutions outside of these (Cerimagic, 2023-03-30; Andersson, 2023-03-30). Hellman (2023-03-16) described that the complexity leads to confusion and difficulties for people to get a comprehensive picture of the area. This discussion could be linked to Iveroth et al.'s (2018) discussion about the need for increased knowledge in areas with increased complexity. The fact that the area of customs is described as complex could thereby in itself create an increased need for companies to develop in-house customs knowledge. This was mentioned by Magnusson (2023-03-08) who emphasised the importance of companies to understand the complexity, and to allocate time and resources for customs matters.

One reason for a high complexity within the area of customs could be the many involved actors. Within the freight forwarding industry overall, there are many different parts involved (Andersson, 2023-03-30) and the customs area could be described as a chain with several parts that needs to work together (Madsen, 2023-03-08). Madsen (2023-03-08) meant that all involved actors together are responsible for well-functioning customs procedures within trade. She stated that large flows of goods can operate efficiently in complex systems, however there is a risk that mistakes or delays occur when flows of goods differ in some ways from the main flow (Madsen, 2023-03-08).

When discussing the procedure of customs valuation, Cerimagic (2023-03-30) described how all involved actors are dependent on each other. Misunderstandings between the involved actors regarding what information that is needed has occurred (Cerimagic, 2023-03-30). This was further confirmed by Magnusson (2023-03-08) who meant that insufficient submission of

information is a common deficiency within companies' customs handling. According to Wisner et al.'s (2018) definition of supply chains, with seamless and value-adding processes, the insufficient submission of information across organizational boundaries might cause that the real needs of the end customers are not met. Cerimagic (2023-03-30) meant that there is a risk that companies rely on the knowledge that other actors in the chain have. The fact that the customs area involves many actors could, according to Iveroth et al. 's (2018), lead to increased complexity based on their statement about the link between more involved stakeholders and increased complexity within organisations. The World Customs Organization (2021) described how customs should be an integrated part of supply chain management. Hellsing (2023-02-21), advocated that there is a need to ensure that the set goals that customs procedures are supposed to contribute to, are met. Furthermore, he mentioned that the many involved actors could make it hard for an importing or exporting company to ensure that their routine regarding customs is followed through the whole chain.

An improvement potential for the case company could be to integrate customs management more into their supply chain management. When investigating the case company, they have not been speaking of customs in terms of strategy. Since customs is an essential part of the supply chain, it is important to take customs into consideration when making strategic choices which is emphasised by Branch (2009). Similarly, an improvement potential could be to set clear goals regarding customs management and ensure that they align with other goals within the supply chain, as discussed above.

When handling the many involved actors and the high complexity within the area of customs, communication and collaboration has been identified as an important aspect to consider. Further, communication has been discussed by Iveroth et al. (2018) who emphasised the importance of communication for well-functioning processes. Wilmott (2007) was on the same line of reasoning and meant that efficient goods flow is simplified through collaboration between involved actors. Similar statement has been made by Grainger (2008) and World Customs Organization (2021) who connected efficient customs and trade procedures with coordination between many involved actors. In summary, collaboration between involved actors is often described as beneficial for customs matters in general. In other words, customs is highlighted as a significant aspect to consider in supply chain management.

Due to the international nature of customs matters, different exchange rates need to be taken into account, increasing the complexity. According to Magnusson (2023-03-08), companies can in some cases have used the wrong exchange rate. Even though this problem is not very common, the errors can be extensive when they do occur.

6.4 Changes regarding customs

When it comes to customs matters, rules and regulations change over time (Hellman, 2023-03-16; Tulli, n.d. d; Branch, 2009) and this is a consequence of the development of products over time (Magnusson, 2023-03-08). Hellman (2023-03-16) suggested looking over the commodity codes in TARIC approximately twice a year to note potential changes which could affect duties or responsibilities. Branch (2009) also emphasised the importance of being well informed about changes that are taking place. In case this is not controlled regularly, there is a risk that too much or too little is paid in customs duties (Hellman, 2023-03-16). Magnusson (2023-03-08) suggested keeping an eye on potential changes monthly, however major changes will be announced more since the preparation time for the changes of laws are longer. Since customs procedures and VAT are interrelated, it is also important to keep updated with VAT regulations (Hellman, 2023-03-16). According to both Hellsing (2023-02-21) and Madsen (2023-03-08) it happens that there is outdated information still used in businesses, simply because that is what has been used previously. There is a risk of keeping old routines which makes it hard to adapt to new rules. If not being updated, there is a risk that businesses are operating incorrectly, unknowingly (Madsen, 2023-03-08; Hellman, 2023-03-16). This structural inertia has similarly been identified by Coyle et al., (2014) as a contributing factor to preventing well-functioning operations.

Some ways of increasing knowledge and staying updated is to visit the Swedish Customs' homepage (Magnusson, 2023-03-08), calling the Swedish Customs' call centre or subscribing to the Swedish Customs' newsletter (Cerimagic, 2023-03-30; Magnusson, 2023-03-08). Hellman (2023-03-16) acknowledged that it might be hard to find the information, but it is available, so companies can never resign their responsibilities. Cerimagic (2023-03-30) mentioned that they, as a customs broker, in some cases have sent out customs news from the Swedish Customs as a service, however that is not possible to do for all changes since there will be too many emails overall, not always targeting the right customers. Wisner et al., (2018) meant that customs brokers can contribute with knowledge to exporting or importing firms, however, according to Cerimagic (2023-03-30), the ability for what customs brokers can contribute with at an operational stage may need to be nuanced.

To stay updated is confirmed to be a good idea according to Popa et al. (2015) since the updates usually are facilitating trade, which is beneficial for organisations. One suggestion to keep in mind though, is to wait until laws or new systems have been adapted, instead of adjusting too much of the business at the first introduction of new systems, since new adaptations have been declared postponed at the very last minute (Hellsing, 2023-02-21).

In case that a company needs more specific education, a tailored course can be held by the Swedish Customs (Magnusson, 2023-03-08). Moreover, the West Swedish Chamber of Commerce provides certification programs which can give more knowledge and provide certificates (Hellman, 2023-03-16). Having some sort of consultant is also according to

Holzner and Perci (2012) a good way to increase turnover growth. Although it can have beneficial effects, Hellsing (2023-02-21) stated the importance of continuous engagement from the company's side afterwards, since it otherwise just will be a one-time saving, after which major errors can be built into the system unless updated and managed continuously. Hellsing (2023-02-21) acknowledges that there is a rather high level of specialist language from the Swedish customs side regarding customs, which makes it hard for companies to grasp the required information regarding customs. Due to the external respondents' emphasis on keeping updated regarding customs, and Eriksson-Zetterquist et al.'s (2012) statement that change management requires resources, it becomes important to think through how new information about customs is acquired by, and distributed amongst, the employees.

Based on the current state at the company, an improvement potential could thus be to ensure that they keep updated. Since the case company multiple times uses information from their ERP-system for customs procedures, it is essential that this information is frequently updated. There are various ways to acquire information, yet the important thing is that it is done and that the company does not solely rely on updates provided by the customs brokers.

6.5 Knowledge

Overall, customs matters have according to Hellsing (2023-02-21) a rather low status at companies today and there is limited knowledge about the need to manage it well. This is confirmed by Grainger (2016) who described a neglect of the topic within the business world. This could potentially go hand in hand with the fact that Hellsing (2023-02-21) has encountered very few companies throughout his career that have been subject to a customs audit, speaking of a low frequency of customs audits in general.

When discussing knowledge within customs, Madsen (2023-03-08) mentioned that companies generally have quite good knowledge within this area, especially regarding their own products. However, findings from the respondents and the literature review all together shows that there are certain knowledge gaps in the area. According to Hellman (2023-03-16) and Hellsing (2023-02-21), there is an extensive lack of knowledge about customs at importing and exporting companies, and Madsen (2023-03-08) acknowledged that companies might have a lacking understanding of timing and customs declarations. These statements are similar to the results in the investigation conducted by KGH Customs Services (2017). Andersson (2023-03-30) and Cerimagic (2023-03-30) would like their customers to have more knowledge about their products. Hellsing (2023-02-21) described that it is common that employees solely ensure that goods arrive at the right place without considering customs matters, and that the concept of import and export declarations somehow seems hard to grasp.

When it comes to what a good customs procedure looks like, Magnusson (2023-03-08) pointed out that customs management looks very different, depending on what business it is related to. According to Hellsing (2023-02-21), good customs handling starts with a comprehensive view

of the supply chain. He described that a company needs to have good knowledge of the structure of the chain, which for example includes transport and consolidation arrangements. Magnusson (2023-03-08) confirmed this by emphasising the importance of knowledge about one's trade flows. Madsen (2023-03-08) emphasised that a chain is no stronger than its weakest link, and the same goes for customs procedures. If having the right knowledge about customs and how to conduct customs management, Magnusson (2023-03-08) claimed that the procedure would be good. Detailed knowledge might not be required, but a certain level of knowledge is required in order to be able to ask the right questions (Magnusson, 2023-03-08). This was contradicted by Cerimagic (2023-03-30) who meant that organisations should have detailed knowledge regarding how a declaration should look for its products. According to Cerimagic, this is something that is not hard, if time is set aside for the task.

A compilation of the respondents' answers regarding good customs management is that knowledge can be categorised into two different blocs. The first bloc regards higher, more organisational and contextual level, capturing a holistic thinking, and the second bloc regards specific customs procedures such as classification of goods or stating origin.

6.5.1 Holistic thinking

When discussing the first bloc, the importance of applying a holistic thinking has been highlighted as important by several respondents (Magnusson, 2023-03-08; Hellman, 2023-03-16; Cerimagic, 2023-03-30; Hellsing, 2023-02-21) in order to not get stuck in silos in the organisation (Hellman, 2023-03-16). This has likewise been stated by Wilmott (2007) who claimed that collaborations over the supply chain have beneficial effects on the goods flow. According to Zhou et al., (2021) this could even lead to increased sales in the end. Magnusson (2023-03-08) and Hellman (2023-03-16) claim that different departments might hold different information that can be needed for customs procedures, which makes it important to communicate and have a holistic approach to conduct customs matters correctly and efficiently. This seems to align well with Grainger et al. (2018), who's findings deem that customs costs are interdependent and hard to distinguish, but could be overcome by increasing collaboration between customs authorities and businesses. The findings of Grainger et al. (2018) could suggestively be referred to apply to a macro perspective when it comes to customs, while Magnusson (2023-03-08) and Hellman (2023-03-16) might refer to a more internal, micro perspective at a company. Another aspect of holistic thinking is the importance of acknowledging the aim of a business, in order to know what is to be obtained in the customs procedures (Hellsing, 2023-02-21; Hellman, 2023-03-16). According to Magnusson (2023-03-08), there could potentially be benefits to gain by having a coordinator regarding customs matters. Due to Wisner et al. (2018) coordination is an important aspect of supply chain management and does thereby align well with Magnusson's suggestion. This is also strengthened by Hellsing (2023-02-21) who meant that it is not unusual to lack internal coordination and knowledge about who has various responsibilities in relation to customs.

Iveroth et al. (2018) advocates communication both internally and externally. With the aim to create knowledge about a specific, complex, area, involving many actors from different levels of the company can bring benefits (Iveroth et al., 2018). Hellman (2023-03-16) and Hellsing (2023-02-21) also advocate this by stating that too few employees are involved in customs matters at companies overall. Moreover, the people managing customs at companies are commonly having matters of customs as a subsidiary post, oftentimes at the financial and logistics department (Madsen, 2023-03-08; Hellman, 2023-03-16; Magnusson, 2023-03-08). KGH Customs Services (2017) emphasised the importance of incorporating customs in businesses' core business. Hellsing (2023-02-21) agreed that it is crucial that company's leadership realises the gains given by well operated customs processes, and that they support the process of getting, and keeping, customs procedures in order.

It could be argued that the case company's SCD acts as a coordinator due to the task of doing ocular inspection. However, since customs is a topic that touches upon many different departments, it is suggestable that a coordinator should have a more holistic approach, in order not to solely work with a particular task. More extensive and continuous tunings with other departments can be seen as beneficial, in order to get a comprehensive picture of the business and creating an efficient customs management. An improvement potential for the case company is thus to increase the resources allocated for customs. It could also be argued that the employee acting as a coordinator should also be the authorised administrator for the Swedish Customs e-service. The reason for this is that the e-service should be handled by an employee with a holistic view of the company's customs handling.

6.5.2 Customs procedures

Further, the second bloc considers knowledge regarding specific customs procedures and restrictions related to the goods that are exported or imported. This was highlighted by Andersson (2023-03-30), Cerimagic (2023-03-30) and Hellman (2023-03-16) as a central part in good customs management. For instance, to have required permits in order (Andersson, 2023-03-30) and this can be very complicated (Hellsing, 2023-02-21). Further, Andersson (2023-03-30) meant that knowledge about the country which a company exports goods to is important. Magnusson (2023-03-08) mentioned that if an organisation has well working procedures for classification, valuation of economic value and origin, the level of control is in general high. Hellman (2023-03-16) confirmed the importance of these procedures but added several more factors into the definition of what a good customs process covers, such as licence management, export management, Incoterms®, risk assessment and trade compliance.

One way of increasing knowledge is to hire a consultant (Madsen, 2023-03-08). Iveroth et al., (2018) acknowledges that knowledge needs to be contextualised in order to be usable, and for this reason, a consultant or a tailored course might be particularly efficient to acquire knowledge. This is because of that the knowledge can be more centred around the actual operations, not only speaking in general terms.

One way for the case company to improve their customs procedure is thereby to hire a customs consultant who can contribute with contextualised knowledge, for their particular need. This could be seen as particularly important due to the case company's global, and hence complex, operations. If using a consultant, it would suggestively be beneficial to have acquired good basic knowledge at the case company beforehand regarding their products, operations and supply chain, to be able to ask the right questions to the customs consultant. The time with a consultant could thereby be more focused on streamlining the customs management. Increased knowledge about the products from a customs perspective, such as call me-codes, can contribute to more accurate information being shared with customs brokers.

Magnusson (2023-03-08) meant that companies using customs brokers do not always develop internal customs knowledge about the parts that the customs broker handles. Based on this, it could be argued that a possible reason for lacking knowledge about consequences of insufficient customs procedures, could be the use of customs brokers. The use of customs brokers is in itself reasonably not problematic. In many cases it is probably necessarily due to the large number of resources that would have been required if everything was handled in-house. However, it is needed for companies to get involved in customs matters and be aware of the consequences that exist thereof, even if they use a customs broker.

6.6 Time aspect

Good customs procedures are not only dependent on good knowledge, but also on good timing. Madsen (2023-03-08) emphasised the importance of knowing when to do certain tasks, to know what tasks that need to be completed before beginning with the next and knowing what the following tasks will be. By managing timing well, it is less likely to do things in the wrong order, and if mistakes occur, it may be easier to discover and adjust the errors before proceeding on with the next task. The coordination and timing of both goods and information is something that Wisner et al. (2018) acknowledge as important in order to create time utility throughout the supply chain. Cerimagic (2023-03-30) stated for instance the importance for them, as customs brokers, to conduct their customs tasks at the right time. Grainger et al. (2018) acknowledged benefits of sharing information closer to when it is produced, and this seems to comport well with the view of Madsen (2023-03-08) and Cerimagic (2023-03-30). It seems like well-planned timing, with understanding of previous and following tasks, could be used as a kind of self-monitoring process if triggers are incorporated into the processes. By passing triggers, in order to get started with the next task, the risk of preceding incorrectly decreases.

Since the aspect of timing has been emphasised by some external respondents, yet not as identified by the case company, there could potentially be benefits to gain if taking timing into consideration. The idea of building in triggers into the customs management, could be seen as an extra monitoring process ensuring that the processes are correct at the right time, benefitting the company by potentially decreasing errors. An incentive for taking the time aspect into

consideration for the case company is the fact that they use transit, where timing is described as important.

6.7 Specific customs procedures

As discussed in chapter 4. *Theoretical framework*, there are several customs procedures, both common and alternative ones. Some of these have been discussed more than others during the interviews and these are described in this subchapter. They were for example brought up during the interviews when discussing challenging procedures and procedures that commonly are handled in an insufficient manner. The fact that the respondents choose to emphasise these specific procedures could reasonably speak for them being the most problematic ones.

6.7.1 Determining customs duties

As mentioned by the European Commission (n.d. n), classification, calculating the economic value and origin are all part of calculating customs duties and all these steps have been described as challenging for companies by the external respondents. Magnusson (2023-03-08) highlighted these three procedures as the basis of customs handling. During the interviews, the process of classification was discussed the most. It was multiple times acknowledged as a challenging issue for companies (Hellman, 2023-03-16; Madsen, 2023-03-08; Magnusson, 2023-03-08) and a procedure that often is carried out incorrectly at companies (Hellman, 2023-03-16). This could be seen as problematic based on Branch (2009) who means that a company's profitability could be affected by incorrect classifications and based on the European Commission (n.d. h) who describes that a classification is used for several purposes. Cerimagic (2023-03-30) described that a commodity code sometimes is stated on a vendor invoice for a company. In this situation, he points out the importance for the company of understanding how the goods have been classified, and not solely relying on the vendor's classification. Hellman (2023-03-16) also stressed that a classification can vary between different geographical areas, a classification conducted in the vendor's country may not be correct in the receiving country. Although a company uses a customs broker, they need to ensure that the information provided to the broker, for example a commodity code, is correct. This is stated by Tullverket (n.d. g) and Tullverket (n.d. c) who mean that the responsibility for conducting a customs declaration with correct information always remains at the importing or exporting company. This is something that also was highlighted by all external respondents.

A possible reason for incorrect classifications could be a too great expectation that the customs broker will solve it and a lack of communication between the importing or exporting company and its customs broker. Cerimagic (2023-03-30) described that not all customs brokers provide the service of classifying customers' goods and that the customer needs to have sufficient knowledge about their products to be able to perform a correct classification. Hellsing (2023-02-21) described that there often is a lack of communication between these actors regarding who classifies the goods. Hellsing (2023-02-21) means that classifications sometimes are performed by another actor in the chain without the company's knowledge, thereby imposing

an unnecessary cost. Knowing that not all brokers carry out classifications or check that it is correct, increases the importance of having correct internal processes for classification. Also, clear communication between actors in the supply chain, for example with vendor and broker, regarding the performance of classification seems to be an important aspect.

As mentioned previously in the chapter, updated information in the ERP-system is essential in order for the case company to provide the right commodity codes. Since the commodity codes, corresponding requirements and duties, are updated in TARIC over time, this needs to be checked. The investigation of the case company could not show when such a check was lastly made. For this reason, it should suggestively be done more often. As described in Figure 14, there is one particular goods flow where semi-finished products are sent to an external manufacturing plant for refinement, in order to be sent back afterwards. In this process, there is a risk that the goods change commodity code along with the refinement process and therefore, it is of extra importance to monitor the commodity code.

The fact that the case company often uses the same commodity code as classified by the vendor is not necessarily wrong. However, when importing goods, no monitoring procedure to ensure the right commodity codes have been encountered at the case company, and thereby it is understood that they rely on the vendor's classification solely. Having some sort of internal monitoring is thereby an improvement potential to make sure that the right commodity codes are stated on the import declarations. This is important for the case company since they are bearing the ultimate responsibility.

Besides classifications, the procedure of stating the origin of goods also seems to be challenging for some companies. The responsibility for a correct certificate of origin rests with the importer (Tullverket, n.d. b), although it is the exporter who creates the document (Tullverket, n.d. f). Hellman (2023-03-16) discussed the many existing rules for determining the origin of goods in a correct manner and that this often is a challenge for companies as the rules need to be interpreted. Certificates of origin are further something that Hellman (2023-03-16) meant that companies often lack. Different origins can lead to different tariffs as Branch (2009) stated, and for this reason it could possibly be good if the act of stating origin is not only done correctly in the everyday operations, but also acknowledged higher up in the organisation, at a strategic level. As the statement of origin depends on the manufacturing, as well as which country it is sent to (European Commission, 2022; European Commission, n.d. t), there needs to be some sort of connection between the process of stating origin and the distribution function. A routine for handling, keeping and being able to present supporting documents, for example an invoice, is something that is described as important by the Swedish Customs (Tullverket, n.d. k; Tullverket, n.d. x; Tullverket, n.d. d). Connected to the procedure of stating the origin, free trade agreements become interesting.

The case company has a routine for ensuring the origin stated by vendors for imported goods. However, an improvement potential has been identified regarding their statement of origin for exports. In case that they would need to provide supporting documents to prove their origin, no such documents are prepared at the supply chain department currently. Even though they would contact other departments for accessing or creating such documents in case of a customs audit, no set routines are in place and it is questionable how much time it would take. In order to ensure compliance, a clearer routine of how the statement would be made is required. It would also be beneficial to ensure that the departments that would be contacted are prepared and aware of the procedure.

The calculation of economic value was also a discussed topic during the interviews. Cerimagic (2023-03-30) described that customs valuation is a general problem within the industry due to the different actors' responsibilities and the need for correct information sharing. Cerimagic meant that they, as a customs broker, are responsible for valuation the goods for customs matters, however, they are dependent on the information that their customers provide them with. Andersson (2023-03-30) and Cerimagic (2023-03-30) described how they base their calculation on the commercial invoice. The economic value on the invoice is not always correct according to Hellsing (2023-02-21), yet it is the responsibility of the declarant to ensure that the economic value is correct (Tullverket, n.d. g). Based on this, it could be of interest for an importing or exporting company to investigate exactly which information that is provided on the invoice and see if some information is lacking. Since the customs valuation affects the customs duties to be paid by the company, they should have some knowledge about how the economic value is determined.

When investigating the case company's procedure for calculating the economic value, price for products was collected from the ERP-system. However, no calculations according to the transaction value method were mentioned, such as cost of tools or freight and insurance costs. An improvement potential could thereby be to ensure that they provide sufficient information to their customs brokers. In order to do this, they need to develop an understanding of the calculation internally.

The choice of Incoterms® could affect the economic value of the goods since shipping costs are regulated by Incoterms® (Tulli, n.d. e) and the shipping costs affect the economic value of the goods (Tulli, n.d. b). For some Incoterms®, the shipping cost is incorporated in the product price, while for other Incoterms®, the shipping cost needs to be added separately (Hellman, 2023-03-16). The connection between customs valuation and Incoterms® thereby needs to be understood. Due to lacking knowledge about calculation of economic value at the case company, this could probably be improved and more thorough monitoring is needed.

As mentioned by Skatteverket (n.d.) the exporter is responsible for supporting documents for proving an exportation, amongst other reasons to comply with VAT matters. This can for some Incoterms® be troublesome to attain, and this is understood by the SCM and SCD. However,

no set routines seem to be in place to collect them. Routines for this can be an improvement potential because then they have their proof of export ready if they are submitted to a customs audit. These could oftentimes be retrieved from the Swedish Customs' e-services, according to Tullverket (n.d. aa). The usage of Incoterms® EXW contains additional difficulties in collecting required documents since the case company is not responsible for the transport. This is confirmed by Hellman (2023-04-17) who described the disadvantages with the use of EXW seen from a customs perspective. In the cases when EXW is used, the case company needs to get in contact with the buyer, or the buyer's transporter, in order to confirm the exportation. In summary, an improvement potential is thus to include customs aspects when negotiating Incoterms®.

6.7.2 Transit

Another procedure which was brought up during the interviews multiple times was the use of transit, which can lead to lower costs and less administration if using transit procedures (European Commission, Directorate-General for Taxation and Customs Union, 2021). However, according to Madsen (2023-03-08), timing and reliability is crucial when using transits. This to ensure that the goods physically end up where it is supposed to end up and is handled first when discharge consent has been given. Transits are something that companies often find difficult to handle. The reason for the occurring problems can partly emerge due to a stressful reception at warehouses (Madsen, 2023-03-08). Another tricky aspect of the transits is the requirement of closing them at the right time (Andersson, 2023-03-30). Cerimagic (2023-03-30) described that the responsibility regarding transits is borne by them, however, Andersson (2023-03-30) emphasised the importance of other actors within the industry to be aware of what could go wrong, especially regarding transits.

Regarding the case company's transit procedures, no evident deficiencies have been identified. Since the responsibility of transits are borne by the actor that starts it, which seems to be the transporter, the procedure will probably be monitored by them. Anyhow, since the procedure of transit has been identified as troublesome, it could be a good idea for the case company to check with their freight forwarders that no issues have occurred for them, due to lacking management at the case company.

6.7.3 Certificates

Restrictions and corresponding permits were brought up as a potential deficiency within companies' customs management. Restrictions is something that Madsen (2023-03-08), as a consultant, spends a lot of time on.

Since the case company operates within the MedTech industry, it is important to be aware of the import or export restrictions that may apply for products being traded (Tullverket, n.d. z; Tullverket n.d. y). One specific restriction that has currently gained attention, due to war in

Europe, is the restrictions of dual use (Madsen, 2023-03-08; Hellsing, 2023-02-21) which is a certificate that Sweden has been bad at according to Hellsing (2023-02-21).

For the case company, knowledge about restrictions needs to be integrated early in the supply chain internally, to avoid shipments becoming denied or delayed at the very last step before distribution. In the case when a transporter wanted to renounce its responsibilities regarding restrictions and dual use of the consignee, this was solved by consulting the parent company. In the future, it could be beneficial to have a routine regarding the process at the supply chain department to ensure that no restrictions of any sort are preventing distribution and that the product is not classified as dual use. Currently, the supply chain department does not have the knowledge to ensure this. Moreover, the marketing department at the case company should suggestively be included here, since they are the ones having contact with the customer and could ensure that the consignee is approved at an earlier stage in the process. In summary, situations like this should suggestively be handled by collaboration between different departments.

Madsen (2023-03-08) means that lacking knowledge about customs procedures could lead to withdrawal of permits and certificates which in turn could disturb the structure of the entire goods flow. Since companies probably are highly dependent on their certificates, it is important to ensure that the company fulfils the requirements for their permits (Madsen, 2023-03-08). The importance of ensuring compliance with certificates was confirmed by Tullverket (n.d. h). Complying with all the requirements is moreover something that Gellert, (2011) emphasised as important when having an AEO certificate. However, this can presumably be applied when it comes to other certificates as well. Having a routine for internal control in order to ensure compliance is thus an improvement potential for the case company regardless of which certificates the case company has or will obtain. Thereby minimising the risk of having permits withdrawn or revoked. The requirements can be different for various permits, so permit-specific knowledge is required to acquire, keep and update.

The process of analysing the case company's certificates has been difficult since they do not have a clear picture of which certificates they currently have. For this reason, monitoring their compliance with current permits and certificates has not been enabled. An improvement potential for the case company could thereby be to get a better view of their certificates and consider acquiring the following certificates and permits.

6.7.3.1 REX certificate

The case company claimed that they are not REX registered, even though some of their customers require it. REX is used to state the origin with the aim to get preferential customs duties (Tulli, n.d. a) but since the case company's products currently are not subject to customs duties, not having REX could arguably be an acceptable choice. However, since the customs duties might change in the future, a REX certificate could become necessary. This is something that Hellman (2023-03-16) confirmed by describing that the circumstance could change. In

order to reduce the risk of standing without, an improvement potential could be to apply for REX as a preventive measure. This leads back to the discussion regarding the importance of having supporting documents to prove origin, which is a requirement for such a certificate (Tullverket, n.d. t).

6.7.3.2 Outward processing

According to Tullverket (n.d. s), outward processing could be suitable when a company exports some type of goods for processing which further on will be imported again. The goods flow in Figure 14 at the case company shows a procedure similar to this. For this reason, it could be subject to outward processing, facilitating the goods flow. However, if the customs duties are zero for the products in question, as expected by the case company, outward processing is not usable (Tullverket n.d. s). Thereby, this procedure and the corresponding certificate could be an improvement potential in case changes occur in TARIC. Important for the case company is thereby to be updated to changes, which has been discussed earlier in the chapter.

6.7.3.3 Approved exporter

Since the case company currently is sending documents for verification and stamping to the West Swedish Chamber of Commerce, it is assumed that they do not have a permit for being an *approved exporter* based on the description presented by Tullverket (n.d. r). To obtain this permit is an improvement potential since they could then avoid sending documents for stamping to the West Swedish Chamber of commerce. However, it is needed to ensure that the country of the buyer accepts that the statement of origin is stated in that way instead. Moreover, the case company needs to ensure that they have functioning customs routines which is emphasised by Tullverket, (n.d. h) and this is something that currently is lacking at the case company.

6.7.3.4 AEO certificate

Due to the many requirements that an AEO certificate requires (Tullverket, n.d. ag), achieving this certificate should suggestively not be prioritised at the case company due to the current deficiencies within their customs management. However, in the long term, it can be beneficial to have this certificate, due to the many benefits presented by Tullverket (n.d. ah). An application for AEO certificate could also be seen as a measure in order to monitor the internal procedures.

6.8 The finding's applicability

When analysing whether the aforementioned improvement potentials could be useful for other companies, it is of interest to discuss whether the size of companies influences their customs management. Respondents indicate that company size often does not matter when it comes to customs knowledge. Some respondents state that just because a company is larger does not mean they have more customs knowledge (Madsen, 2023-03-08; Hellsing, 2023-02-21; Andersson, 2023-03-30). This could however be troublesome to compare due to the greater amount of resources that large companies have, for example in the form of financial assets and

employees, which was stated by Magnusson (2023-03-08). The size of the company could also affect the number of products and corresponding customs matters that the company needs to have knowledge about, which for example was mentioned by Madsen (2023-03-08) who described how some small companies have very good control due to the limited amount of product assortment. When it comes to challenges within the area of customs that companies struggle with, Madsen (2023-03-08) meant that some types of challenges occur at all levels but that a smaller firm has the possibility to use a customs broker to a larger extent than larger companies. In summary, it seems like the size of the company does not necessarily affect the amount of customs knowledge. The improvement potential for the case company is thus not limited to a certain size of a company. Instead, the applicability of the findings at the case company, rather seems to depend on a company's internal resources allocated for their customs management. As discussed, some procedures have been described as particularly challenging for companies overall, such as classifications. The stated improvement potentials connected to these procedures could thus be argued to be specifically useful for other companies as it seems to be a general difficulty for companies. Companies could potentially benefit from the same measures as the case company.

7. Reflection

In this chapter, the limitations of the study are discussed along with a discussion regarding the ability to generalise the results based on the limitations.

7.1 Limitations

During the study, some limitations were made which could affect the credibility of the study. As discussed in subchapter *Validity 3.7.2*, several actors with different perspectives on the topic have been interviewed which contributed to a higher credibility and generalisability. However, it was required to make a limitation regarding the number of respondents, primarily due to the time limit of the study. Interviews with more respondents within the same segment, for example more customs brokers or more employees at the case company, could perhaps have led to a more comprehensive picture of the topic, which could increase the credibility of the study. However, the limited number of respondents enabled for longer interviews and supplementary questions.

The number of employees at the case company's supply chain department with inputs regarding their customs management was relatively limited, which in itself is an interesting finding. The focus has instead been on collecting as much information as possible from the employees that had insight in the customs management and analysing the lack of awareness regarding customs at the company in general. The main focus on the supply chain department at the case company has led to results for that particular department, and it does not necessarily cover all potential issues regarding customs at the whole case company.

7.2 Generalisability

The characteristics of the chosen methodology and the limitations of the study, limits the possibilities to generalise the results to a broader context. The empirical findings are based on the respondents view of the topic; it is thus not possible to say that such statements are adopted for other people with the same profession. The interviews were based on the respondents' experiences and opinions within the area, and the results could thereby vary if other respondents would have been interviewed. However, since the findings from the various external respondents frequently align with each other, the findings can reasonably be seen as an indication of where deficiencies and improvement potentials commonly occur in businesses overall. Due to the global character of customs matters, and that the respondents were not asked to limit their answers solely to Swedish cases, it is not possible to say that the findings are specifically contextualised to Sweden. However, the answers are probably representing an EU perspective, more than any other customs union. And therefore, global applicability is not necessarily the case. The answers could be biased based on the respondents' professions, for example customs consultants whose tasks consist of helping companies with insufficient customs management. Yet to grasp where deficiencies occur and improvement potential could be found, the choice of respondents can be considered highly relevant.

8. Conclusions

Based on the analysis, the following conclusions could be drawn divided into the three research questions which this report aims to answer.

- How does the case company's customs management look today?

The customs management at the case company does not seem to be coordinated between departments and exactly where customs are managed at the company is unclear. The supply chain department at the case company seems to be aware of their responsibility regarding customs management. However, there does not seem to be satisfactory routines to ensure that all customs procedures are handled correctly at all stages. If a customs audit were to be conducted, it would be managed by the supply chain department although they do not seem to have all required documents in place. Overall, there is a risk that tasks in the supply chain are done in a certain way just because that is how it has always been, without having a holistic approach. Moreover, limited resources seem to be provided for the issue in general. Several processes regarding customs at the supply chain department are carried out based on information from the company's ERP-system, such as stating commodity code and origin for goods that are to be exported. There seems to be question marks whether this information is updated which creates uncertainties regarding the accuracy of these processes.

- How could the case company's customs management be improved?

Many of the presented improvement potentials for the case company revolve around including more resources into customs matters. This could for instance be done by involving more employees for customs matters and informing them about the company's responsibility regarding customs. Also, a more coordinating role is expected to be beneficial. In order to increase the knowledge and make it usable, it is suggestively important to provide contextualisation of the knowledge. Since the case company's customs procedures seem to be deficient, acquiring more knowledge for the case company is thus an improvement potential. Particularly, information about how to calculate the economic value seems to be needed.

To improve customs management, the external respondents advocated for internal, well-functioning, monitoring processes within importing or exporting companies. If having such a routine, there is a great possibility that deficiencies will be captured and that increases the ability to correct them. Implementing more monitoring procedures is thereby an improvement potential for the case company.

As discussed, the area of customs is complex, involving many actors and rules to take into consideration. When handling customs in a correct and efficient way, both financial and time savings could be reached, which creates incentives for companies to allocate resources for these matters. An improvement potential for the case company is thus to include customs in decision

making on various levels, for example when negotiating Incoterms® in purchasing contracts and in supply chain management.

- Can these improvements be useful for other companies?

The applicability of the improvement potentials regarding customs for other companies could in one way be difficult to determine as it depends on the current state. The usefulness of improvements is not necessarily applicable outside of Sweden or the EU, but due to the global character, it could potentially be similar elsewhere. Moreover, the case company's improvement potentials can not necessarily be applicable to a certain size of company, but rather it depends on if the resource allocation is on an equal level. Yet, there seems to be an alignment between the findings from the case company and the answers from external respondents which mirror a perspective outside of the case company. As stated by the external respondents, the main issues regarding customs procedures seems to be related to the calculation of customs duties. These procedures were also identified as deficient at the case company. This indicates that the stated improvements reasonably could be useful for other companies as well. Also, the general lack of knowledge regarding customs contributes to the applicability of the findings.

8.1 Future studies

Due to the identified general lack of knowledge regarding customs within businesses, further research within the area is seen as beneficial. This study contributes to the limited amount of earlier research within the area with a business focus, instead of focusing on customs administrations. Further research within this segment could contribute to an increased awareness regarding customs at companies and help them create a more efficient customs management tailored to their business. Based on the limitations discussed in chapter 7. *Reflection*, some ideas of future studies have come up.

An idea is to investigate a company more thoroughly regarding their customs management by taking all departments into account. The risk of excluding knowledge that exists within a company would thereby be limited. Such a study could be conducted using interviews where the current internal procedures are mapped using short, structured, questions. To include more departments at a company to provide improvement potentials regarding customs management could also be seen as useful based on the importance of having a holistic thinking when managing customs, as discussed in subchapter 6.5 *Knowledge*. For such a study, a quantitative method would be beneficial enabling a higher number of respondents, both within a chosen case company and in a broader context, including more actors who in some way handle customs. Lastly, the exploratory character of this study could suitably be followed up by conducting more explanatory and predictive research. For instance, by investigating why there is a lack of knowledge, and how this could be avoided in the long term.

9. References

- Appeals, T., & Struye de Swielande, H. (1998). Rolling Back the Frontiers: The Customs Clearance Revolution. *The International Journal of Logistics Management*, 9(1), 111-118. <https://doi.org/10.1108/09574099810805780>.
- Bell, E., Bryman, A., & Harley, B. (2019). *Business research methods* (Fifth ed.). Oxford.
- Branch, A. (2009). *Global supply chain management and international logistics*. Routledge.
- Buyonge, C., & Kireeva, I. (2008). Trade facilitation in africa: Challenges and possible solutions. *World Customs Journal*, 2(1), 41-54.
[https://worldcustomsjournal.org/Archives/Volume%202%2C%20Number%201%20\(Apr%202008\)/05%20trade_facilitation_in_africa_challenges_and_possible_solutions.pdf](https://worldcustomsjournal.org/Archives/Volume%202%2C%20Number%201%20(Apr%202008)/05%20trade_facilitation_in_africa_challenges_and_possible_solutions.pdf).
- Collis, J., & Hussey, R. (2021). *Business research : A practical guide for undergraduate & postgraduate students* (Fifth ed.). Red globe press.
- Conte, K., & Davidson, S. (2020). Using a 'rich picture' to facilitate systems thinking in research coproduction. *Health Research Policy and Systems*, 18(14).
<https://doi.org/10.1186/s12961-019-0514-2>.
- Coyle, T., Cruthirds, K., Naranjo, S., & Nobel, K. (2014). Analysis of current customs practices in the United States and a proposed model for world class Customs. *World Customs Journal*, 14(1), 71-85.
[https://worldcustomsjournal.org/Archives/Volume%208%2C%20Number%201%20\(Mar%202014\)/08%20Coyle_et_al.pdf](https://worldcustomsjournal.org/Archives/Volume%208%2C%20Number%201%20(Mar%202014)/08%20Coyle_et_al.pdf).
- Desiderio, D. (2019). Data analysis techniques for enhancing the performance of customs. *World Customs Journal*, 13(2), 17-22.
[https://worldcustomsjournal.org/Archives/Volume%2013%2C%20Number%202%20\(Sep%202019\)/1886%2001%20WCJ%20v13n2%20Desiderio.pdf?t=1569889901](https://worldcustomsjournal.org/Archives/Volume%2013%2C%20Number%202%20(Sep%202019)/1886%2001%20WCJ%20v13n2%20Desiderio.pdf?t=1569889901).
- Eriksson-Zetterquist, U., Kalling, T., & Styhre, A. (2012). *Organisation och organiserings* (Third ed.). Liber AB.
- European Commission, Directorate-General for Communication. (2016). *Trade : free trade is a source of economic growth*, Publications Office. Retrieved 2023-02-25 from: <https://data.europa.eu/doi/10.2775/42184>.
- European Commission, Directorate-General for Communication. (2020). *Customs : the EU customs union : protecting people and facilitating trade*, Publications Office. Retrieved 2023-01-25 from: <https://data.europa.eu/doi/10.2778/510967>.

European Commission, Directorate-General for Taxation and Customs Union. (2021). *Transit manual*, Publications Office. Retrieved 2023-02-20 from:

https://op.europa.eu/en/publication-detail/-/publication/f34c9bda-2c2c-11ec-bd8e-01aa75ed71a1/language-en?WT.mc_id=Selectedpublications&WT.ria_c=68639&WT.ria_f=7077&WT.ria_ev=search&WT.URL=https%3A%2F%2Ftaxation-customs.ec.europa.eu%2F.

European Commission. (2022). *Guidance on Non-preferential rules of origin*. Retrieved 2023-01-25 from:

<https://taxation-customs.ec.europa.eu/system/files/2022-03/Guidance%20on%20non-preferential%20rules%20of%20origin.pdf>.

European Commission. (n.d. a). *EU Customs Union - unique in the world*. Retrieved 2023-01-24 from:

https://taxation-customs.ec.europa.eu/customs-4/eu-customs-union-facts-and-figures/eu-customs-union-unique-world_en.

European Commission. (n.d. b). *What is importation?* Retrieved 2023-01-25 from:

https://taxation-customs.ec.europa.eu/customs-4/customs-procedures-import-and-export-0/what-importation_en.

European Commission. (n.d. c). *Free Circulation*. Retrieved 2023-01-25 from:

https://taxation-customs.ec.europa.eu/customs-4/customs-procedures-import-and-export-0/what-importation/free-circulation_en.

European Commission. (n.d. d). *Customs declaration*. Retrieved 2023-01-25 from:

https://taxation-customs.ec.europa.eu/customs-4/customs-procedures-import-and-export-0/customs-procedures/customs-declaration_en.

European Commission. (n.d. e). *Customs debt*. Retrieved 2023-01-25 from:

https://taxation-customs.ec.europa.eu/customs-4/customs-procedures-import-and-export-0/customs-procedures/customs-debt_en.

European Commission. (n.d. f). *Customs Valuation*. Retrieved 2023-01-25 from:

https://taxation-customs.ec.europa.eu/customs-4/calculation-customs-duties/customs-valuation_en.

European Commission. (n.d. g). *Tariffs*. Retrieved 2023-01-26 from:

<https://trade.ec.europa.eu/access-to-markets/en/content/tariffs-0>.

European Commission. (n.d. h). *Classification of goods*. Retrieved 2023-01-26 from:

https://taxation-customs.ec.europa.eu/customs-4/calculation-customs-duties/customs-tariff/classification-goods_en.

European Commission. (n.d. i). *The Combined Nomenclature*. Retrieved 2023-01-26 from: https://taxation-customs.ec.europa.eu/customs-4/calculation-customs-duties/customs-tariff/combined-nomenclature_en.

European Commission. (n.d. j). *Frequently asked questions, - What is the Integrated Tariff of the European Communities (TARIC) code?*. Retrieved 2023-01-26 from: <https://trade.ec.europa.eu/access-to-markets/en/faqs?criteria=TARIC§ion=faq.section.allsections&country=>.

European Commission. (n.d. k). *The Union Customs Code (UCC) – Introduction*. Retrieved 2023-01-26 from: https://taxation-customs.ec.europa.eu/union-customs-code-ucc-introduction_en.

European Commission. (n.d. l). *Customs clearance documents and procedures*. Retrieved 2023-02-01 from: <https://trade.ec.europa.eu/access-to-markets/en/content/customs-clearance-documents-and-procedures>.

European Commission. (n.d. m). *Guide for export of goods*. Retrieved 2023-02-01 from: <https://trade.ec.europa.eu/access-to-markets/en/content/guide-export-goods>.

European Commission. (n.d. n). *Calculation of customs duties*. Retrieved 2023-01-25 from: https://taxation-customs.ec.europa.eu/customs-4/calculation-customs-duties_en.

European Commission. (n.d. o). *What is customs transit?* Retrieved 2023-02-01 from: https://taxation-customs.ec.europa.eu/customs-4/customs-procedures-import-and-export-0/what-customs-transit_en.

European Commission. (n.d. p). *EU Customs strategy*. Retrieved 2023-02-06 from: https://taxation-customs.ec.europa.eu/customs-4/eu-customs-strategy_en.

European commission. (n.d. q). *What is VAT?* Retrieved 2023-04-20 from: https://taxation-customs.ec.europa.eu/what-vat_en

European Commission. (n.d. r). *What is the Common Customs Tariff?* Retrieved 2023-02-21 from: https://taxation-customs.ec.europa.eu/customs-4/calculation-customs-duties/customs-tariff_en.

European Commission. (n.d. s). *Specific use*. Retrieved 2023-02-01 from: https://taxation-customs.ec.europa.eu/customs-4/customs-procedures-import-and-export-0/what-importation/specific-use_en.

European Commission. (n.d. t). *Introduction*. Retrieved 2023-01-25 from: https://taxation-customs.ec.europa.eu/introduction-1_en.

European Commission. (n.d. u). *REX – Registered Exporter system*. Retrieved 2023-02-03 from:

https://taxation-customs.ec.europa.eu/online-services/online-services-and-databases-customs/rex-registered-exporter-system_en.

European Commission. (n.d. v). *Export procedure*. Retrieved 2023-02-02 from:

https://taxation-customs.ec.europa.eu/customs-4/customs-procedures-import-and-export-0/what-exportation/export-procedure_en.

European Union. (n.d.). *History of the European Union 1945-59*. Retrieved the 2023-01-26 from: https://european-union.europa.eu/principles-countries-history/history-eu/1945-59_en.

Europeiska unionen. (n.d. a). *Typer av rättsakter*. Retrieved 2023-01-27 from:

https://european-union.europa.eu/institutions-law-budget/law/types-legislation_sv.

Europeiska unionen. (n.d. b). *EU-fördragen*. Retrieved 2023-01-27 from:

https://european-union.europa.eu/principles-countries-history/principles-and-values/founding-agreements_sv.

Feenstra, R., and Taylor, A. (2021). *International trade* (Fifth ed.). Worth Publishers.

Gellert, L. (2011). Withdrawal, revocation and suspension of AEO certification. *World Customs Journal*, 5(1), 3-16.

<https://worldcustomsjournal.org/Archives/Volume%205%2C%20Number%201%20%28Mar%202011%29%02%20Gellert.pdf>

Grainger, A. (2008). Customs and trade facilitation: from concepts to implementation. *World Customs Journal*, 2(1), 17-20.

[https://worldcustomsjournal.org/Archives/Volume%202%2C%20Number%201%20\(Apr%202008\)%03%20customs_and_trade_facilitation_from_concepts_to_implementation.pdf](https://worldcustomsjournal.org/Archives/Volume%202%2C%20Number%201%20(Apr%202008)%03%20customs_and_trade_facilitation_from_concepts_to_implementation.pdf).

Grainger, A. (2016). Customs management in multinational companies. *World Customs Journal*, 10(2), 17-36.

[https://worldcustomsjournal.org/Archives/Volume%2010%2C%20Number%202%20\(Sep%202016\)/1806%2000%20WCJ%20v10n2%20COMPLETE.pdf?_t=1563333690](https://worldcustomsjournal.org/Archives/Volume%2010%2C%20Number%202%20(Sep%202016)/1806%2000%20WCJ%20v10n2%20COMPLETE.pdf?_t=1563333690).

Grainger, A., Huiden, R., Rukanova, B., & Tan, Y. (2018). What is the cost of customs and borders across the supply chain? ... and how to mitigate the cost through better coordination and data sharing. *World Customs Journal*, 12(2), 3-30.

[https://worldcustomsjournal.org/Archives/Volume%2012%2C%20Number%202%20\(Sep%202018\)/1855%2001%20WCJ%20v12n2%20Grainger.pdf](https://worldcustomsjournal.org/Archives/Volume%2012%2C%20Number%202%20(Sep%202018)/1855%2001%20WCJ%20v12n2%20Grainger.pdf).

Gothenburg University Library. (n.d.). *About Supersearch*. Retrieved 2023-02-17 from: https://gu-se-primo.hosted.exlibrisgroup.com/primo-explore/search?sortby=rank&vid=46GUB_VU1&lang=en_US.

Halldórsson, &, & Aastrup, J. (2003). Quality criteria for qualitative inquiries in logistics. *European Journal of Operational Research*, 144(2), 321-332.
DOI: [10.1016/S0377-2217\(02\)00397-1](https://doi.org/10.1016/S0377-2217(02)00397-1).

Hamill, D. R. (2016). *Clothing Companies Spin a Yarn with Commercial Invoices, Resulting in \$13.4 Million in Fines for Customs Violations*. Retrieved 2023-02-07 from: <https://www.afslaw.com/perspectives/alerts/clothing-companies-spin-yarn-commercial-invoices-resulting-134-million-fines>.

Hassan, M. (2017). An analysis of prime determinants and constraints of Bangladesh's export market: Stochastic frontier gravity model approach. *World Customs Journal*, 11(2), 77-92.
[https://worldcustomsjournal.org/Archives/Volume%2011%2C%20Number%202%20\(Sep%202017\)/1838%2001%20WCJ%20v11n2%20Hassan.pdf](https://worldcustomsjournal.org/Archives/Volume%2011%2C%20Number%202%20(Sep%202017)/1838%2001%20WCJ%20v11n2%20Hassan.pdf).

Haughton, M., & Desmeules, R. (2001). Recent Reforms in Customs Administrations. *The International Journal of Logistics Management*, 12(1), 65-82.
<https://doi.org/10.1108/09574090110806235>.

Hesketh, D. (2010). Weaknesses in the supply chain: Who packed the box? *World Customs Journal*, 4(2), 3-20.
[https://worldcustomsjournal.org/Archives/Volume%204%2C%20Number%202%20\(Sep%202010\)/02%20Hesketh.pdf](https://worldcustomsjournal.org/Archives/Volume%204%2C%20Number%202%20(Sep%202010)/02%20Hesketh.pdf).

Hironori, A. (2003). *World History of the Customs and Tariffs*. Brussels: World Customs Organization.
https://books.google.se/books/about/World_History_of_the_Customs_and_Tariffs.html?id=qlD0zOupzOUC&redir_esc=y.

Holzner, M., & Perci, F. (2012). The impact of customs procedures on business performance: evidence from Kosovo. *World Customs Journal*, 6(1), 17-30.
[https://worldcustomsjournal.org/Archives/Volume%206%2C%20Number%201%20\(Mar%202012\)/03%20Holzner_Peci.pdf](https://worldcustomsjournal.org/Archives/Volume%206%2C%20Number%201%20(Mar%202012)/03%20Holzner_Peci.pdf).

Hua, T. (2020). How to connect the PICARD program to regional capacity building activities— from the perspective of the WCO Asia Pacific Region. *World Customs Journal*, 14(2), 193-196.
[https://worldcustomsjournal.org/Archives/Volume%2014%2C%20Number%202%20\(Oct%202020\)/1902%2001%20WCJ%20v14n2%20Hua.pdf?_t=1603239884](https://worldcustomsjournal.org/Archives/Volume%2014%2C%20Number%202%20(Oct%202020)/1902%2001%20WCJ%20v14n2%20Hua.pdf?_t=1603239884).

IRU. (2018-04-17). *What is the TIR System?* [Video]. Youtube.
<https://www.youtube.com/watch?v=bTDrmOFESfY>.

ICC. (n.d. a). *History*. Retrieved 2023-02-02 from:
<https://iccwbo.org/about-us/who-we-are/history/>.

ICC. (n.d. b). *Incoterms® 2020*. Retrieved 2023-02-02 from:
<https://iccwbo.org/resources-for-business/incoterms-rules/incoterms-2020/>.

ICC. (n.d. c). *Incoterms® rules*. Retrieved 2023-02-02 from:
<https://iccwbo.org/resources-for-business/incoterms-rules/>.

ICC. (n.d. d). *TRANSPORT OBLIGATIONS, COSTS AND RISKS*. Retrieved 2023-02-02 from:
<https://www.beweship.com/wp-content/uploads/2020/08/Incoterms2020-ICC.pdf>.

Inspectorate of strategic products. (2017). *Transit of military equipment or dual-use products*. Retrieved 2023-02-19 from:
<https://isp.se/eng/transit-of-military-equipment-or-dual-use-products/>.

Iveroth, E., Lindvall, J., & Magnusson, J. (2018). *Digitalisering och styrning* (First ed.). Studentlitteratur.

Jacobs. F. R., & Chase. R. B. (2017). *Operations and Supply Chain Management*. (Fifteenth ed.). McGraw-Hill Education.

Keith Thompson, A. (2013). Does anti-corruption legislation work? *World Customs Journal*, 7(2), 39-64.
<https://worldcustomsjournal.org/Archives/Volume%207%2C%20Number%202%20%28Sep%202013%29/06%20Thompson.pdf>.

KGH Customs services. (2017). *Why special customs procedures need to become standard business practice*. Retrieved 2023-02-06 from:
<https://kgcustoms.com/en/insight/special-customs-procedures-need-become-standard-business-practice/>.

KGH Customs services. (n.d.). [Picture]. Retrieved 2023-02-06 from:
https://kgcustoms.com/wp-content/uploads/2017/10/A4_Iceberg_EN_LOW_171016.pdf.

Knight, F. (1921). *Risk, uncertainty and profit*. (First ed.). Boston, MA: Hart, Schaffner & Marx; Houghton Mifflin Co.

Kommerskollegium. (2019). *Frihandel*. Retrieved the 2023-01-25 from:
<https://www.kommerskollegium.se/om-handel/utrikeshandel/frihandel/>.

Korecký, M. (2012). *Risk management in logistics in CLC 2012 CARPATHIAN LOGISTICS CONGRESS*. (CLC 2012 report). Retrieved 2023-02-15 from:

https://www.researchgate.net/profile/Maciej-Bielecki/publication/326011236_LOGISTIC_EFFICIENCY_OF_THE_PRODUCT_IN_LOGISTICS_STRATEGIES_OF_SMALL_MANUFACTURING_ENTERPRISES_httpclc2012tangerczfilesproceedings09reports1045pdf/links/5b337b51a6fdcc8506d19586/LOGISTIC-EFFICIENCY-OF-THE-PRODUCT-IN-LOGISTICS-STRATEGIES-OF-SMALL-MANUFACTURING-ENTERPRISES-http-clc2012tangercz-files-proceedings-09-reports-1045pdf.pdf#page=26.

Lasiński-Sulecki, K. (2015). Will the court of justice apply its anti-abuse doctrine in customs valuation cases? *World Customs Journal*, 9(2), 3-11.

[https://worldcustomsjournal.org/Archives/Volume%209%2C%20Number%202%20\(Sep%202015\)/1784%2001%20WCJ%20v9n2%20Krzysztof%20et%20al.pdf](https://worldcustomsjournal.org/Archives/Volume%209%2C%20Number%202%20(Sep%202015)/1784%2001%20WCJ%20v9n2%20Krzysztof%20et%20al.pdf).

Lyons, T. (2018). *EU customs law* (Third ed.). Oxford EU law library.

Mangan, J., Lalwani, C., & Gardner, B. (2004). Combining quantitative and qualitative methodologies in logistics research. *International Journal of Physical Distribution & Logistics Management*, 34(7), 565-578.

<https://doi.org/10.1108/09600030410552258>.

Mashiri, E., & Sebele-Mpofu, F. (2015). Illicit trade, economic growth and the role of customs: A literature review. *World Customs Journal*, 9(2), 38-50.

[https://worldcustomsjournal.org/Archives/Volume%209%2C%20Number%202%20\(Sep%202015\)/1784%2001%20WCJ%20v9n2%20Mashiri%20%26%20Sebele.pdf](https://worldcustomsjournal.org/Archives/Volume%209%2C%20Number%202%20(Sep%202015)/1784%2001%20WCJ%20v9n2%20Mashiri%20%26%20Sebele.pdf).

McLinden, G., & Durrani, A. (2013). Corruption in customs. *World Customs Journal*, 7(2), 3-10.

<https://worldcustomsjournal.org/Archives/Volume%207%2C%20Number%202%20%28Sep%202013%29/03%20McLinden%20and%20Durrani.pdf>.

Morini, C., De Sá Porto, P., & Inácio, E. (2017). Trade facilitation and customs revenue collection: Is that a paradox? *World Customs Journal*, 11(2), 23-36.

[https://worldcustomsjournal.org/Archives/Volume%2011%2C%20Number%202%20\(Sep%202017\)/1838%2001%20WCJ%20v11n2%20Morini-de%20Sa%20Porto-Inacio.pdf](https://worldcustomsjournal.org/Archives/Volume%2011%2C%20Number%202%20(Sep%202017)/1838%2001%20WCJ%20v11n2%20Morini-de%20Sa%20Porto-Inacio.pdf).

Nationalencyklopedin. (n.d.). *Tull*. Retrieved the 2023-01-24 from:

<https://www.ne.se/uppslagsverk/encyklopedi/l%C3%A5ng/tull>.

Nocco, B., & Stulz, R. (2022). Enterprise Risk Management: Theory and Practice. *Journal of Applied Corporate Finance*, 34(1), 81-94.

<https://onlinelibrary-wiley-com.ezproxy.ub.gu.se/doi/pdf/10.1111/jacf.12490>.

Näslund, D. (2002). Logistics needs qualitative research - especially action research. *International Journal of Physical Distribution & Logistics Management*, 32(5), 321-338.
<https://doi.org/10.1108/09600030210434143>.

Patel, R., & Davidson, B. (2019). *Forskningsmetodikens grunder : Att planera, genomföra och rapportera en undersökning* (Fifth ed.). Studentlitteratur.

Popa, I., Belu, M.G., Paraschiv, D.M. & Marinoiu, A.M., (2015). Best Practices in Customs Procedures. *Amfiteatru Economic*, 17(40), 1095-1107.
https://www.researchgate.net/publication/289545353_Best_Practices_in_Customs_Procedure_s.

Project Management Institute, Inc. (2021). *A Guide to the Project Management Body of Knowledge (PMBOK® Guide) – Seventh Edition and The Standard for Project Management (ENGLISH)*. Chicago: Project Management Institute.
<https://app.knovel.com/hotlink/toc/id:kpSPMAGPMP/guide-project-management/guide-project-management>.

Sawhney, R., & Sumukadas, N. (2005). Coping with customs clearance uncertainties in global sourcing. *International Journal of Physical Distribution & Logistics Management*, 35(4), 278-295.
<https://doi-org.ezproxy.ub.gu.se/10.1108/09600030510599931>.

Schütze, R. (2021). *European Union law* (Third ed.). Oxford University Press.

Segal. T. (n.d.). *Incoterms Explained: Definition, Examples, Rules, Pros & Cons*. Investopedia. Retrieved 2023-02-02 from:
<https://www.investopedia.com/terms/i/incoterms.asp>.

SFS 2000:1225. *Lag om straff för smuggling*. Retrieved from:
https://www.riksdagen.se/sv/dokument-lagar/dokument/svensk-forfattningssamling/lag-20001225-om-straff-for-smuggling_sfs-2000-1225.

SFS 2022:1496. *Tullag (2016:253)*. Retrieved from:
https://www.riksdagen.se/sv/dokument-lagar/dokument/svensk-forfattningssamling/tullag-2016253_sfs-2016-253.

SFS 2022:1494. *Lag (1996:701) om Tullverkets befogenheter vid Sveriges gräns mot ett annat land inom Europeiska unionen*. Retrieved from:
https://www.riksdagen.se/sv/dokument-lagar/dokument/svensk-forfattningssamling/lag-1996701-om-tullverkets-befogenheter-vid_sfs-1996-701.

Single Window for Logistics - Luxembourg. (2021). *Tariff classification of goods*. Retrieved 2023-02-22 from:

<https://logistics.public.lu/en/formalities-procedures/taxes/customs-duties/classification-goods.html>.

Skatteverket. (n.d.). *Krav på dokumentation av transporten*. Retrieved 2023-04-20 from: <https://www4.skatteverket.se/rattsligvagledning/edition/2023.4/329360.html>.

Tulli. (n.d. a). *Hur bevisas varors ursprung?*. Retrieved 2023-04-20 from: <https://tulli.fi/sv/foretag/export/hur-bevisas-en-varas-ursprung->.

Tulli. (n.d. b). *Transaktionsvärde vid fastställande av tullvärde*. Retrieved 2023-01-31 from: <https://tulli.fi/sv/foretag/import/transaktionsvarde-vid-faststallande-av-tullvarde>.

Tulli. (n.d. c). *Vad är transitering?*. Retrieved 2023-02-01 from: <https://tulli.fi/sv/foretag/transport-och-lagring/transitering>.

Tulli. (n.d. d). *Varukoder*. Retrieved 2023-04-11 from: <https://tulli.fi/sv/foretag/varukoder>.

Tulli. (n.d. e). *Incoterms 2020*. Retrieved 2023-04-19 from: <https://tulli.fi/sv/foretag/import/incoterms-2020>.

Tullverket. (n.d. a). *Eori*. Retrieved 2023-01-30 from: <https://www.tullverket.se/foretag/ansokochdeklarera/tillstandochregistreringar/eori.4.6ac2c843157b7beb007364.html>.

Tullverket. (n.d. b). *Exportörens ansvar och tullmyndighetens kontroll*. Retrieved 2023-01-27 from: <https://www.tullverket.se/foretag/internationellhandel/exporteravaror/frihandelvidexport/exportorensansvarochtullmyndighetenskontroll.4.792224361590183a4d34928.html?toggleAccordionText=export%C3%B6rens+ansvar>.

Tullverket. (n.d. c). *Börja exportera* [Video]. Youtube. <https://www.youtube.com/watch?v=fQx-ikzz41E>.

Tullverket. (n.d. d). *Styrkande handlingar vid export*. Retrieved 2023-01-27 from: <https://www.tullverket.se/foretag/internationellhandel/exporteravaror/deklareravarorvidexport/styrkandehandlingarvidexport.4.78aa922815794d801e25e3.html>.

Tullverket. (n.d. e). *Importörens ansvar och tullmyndigheternas kontroll*. Retrieved 2023-01-27 from: <https://www.tullverket.se/foretag/internationellhandel/importeravaror/frihandelvidimport/importorensansvarochtullmyndighetenskontroll.4.1ae34b17159018cf7a6493.html>.

Tullverket. (n.d. f). *Börja importera*. Retrieved 2023-01-27 from:
<https://www.tullverket.se/foretag/internationellhandel/importeravaror/borjaimportera.4.7928802816bd208774c2c7.html>.

Tullverket. (n.d. g). *Deklarantens ansvar*. Retrieved 2023-01-27 from:
<https://www.tullverket.se/foretag/internationellhandel/godatullrutinersaplanerarkontrollerarochhfoljerduuppdinverksamhet/deklarantensansvar.4.153f8c8c16ffad23c22ed7.html>.

Tullverket. (n.d. h). *Gemensamma villkor och bestämmelser*. Retrieved 2023-04-21 from:
<https://www.tullverket.se/foretag/ansokochdeklarera/tillstandochregistreringar/gemensammaxillkorochbestammelser.4.226de36015804b8cf35202e.html>.

Tullverket. (n.d. i). *Bindande klassificeringsbesked, BKB*. Retrieved 2023-01-27 from:
<https://www.tullverket.se/foretag/internationellhandel/klassificeravaror/bindandeklassificeringssbeskedbkb.4.7df61c5915510cfe9e710a97.html?toggleAccordionText=BKB>.

Tullverket. (n.d. j). *Verksamhet och organisation*. Retrieved 2023-01-25 from
<https://www.tullverket.se/omoss/dethargortullverket/verksamhetochorganisation.4.153f8c8c16ffad23c2215f1.html>.

Tullverket. (n.d. k). *Styrkande handlingar*. Retrieved 2023-02-19 from:
<https://www.tullverket.se/foretag/internationellhandel/importeravaror/deklareravarorvidimport/styrkandehandlingar.4.6ac2c843157b7beb007406.html>.

Tullverket. (n.d. l). *Tullvärde*. Retrieved 2023-01-31 from:
<https://www.tullverket.se/foretag/internationellhandel/importeravaror/raknauttullochavgifter/tullvarde.4.7df61c5915510cfe9e7f56f.html>.

Tullverket. (n.d. m). *Importmoms*. Retrieved 2023-01-31 from:
<https://www.tullverket.se/foretag/internationellhandel/importeravaror/raknauttullochavgifter/importmoms.4.7df61c5915510cfe9e7ec44.html>.

Tullverket. (n.d. n). *Momsbefriad import*. Retrieved 2023-01-31 from:
<https://www.tullverket.se/foretag/internationellhandel/importeravaror/raknauttullochavgifter/importmoms/momsbefriadimport.4.6ac2c843157b7beb007298.html>.

Tullverket. (n.d. o). *Standardtulldeklaration vid export (UNU)*. Retrieved 2023-04-20 from:
<https://www.tullverket.se/foretag/internationellhandel/exporteravaror/deklareravarorvidexport/olikatyperavtulldeklarationerforexport/standardtulldeklarationforexportunu.4.2894757916870c7915c1de.html>.

Tullverket. (n.d. p). *Varucertifikat A.TR*. Retrieved 2023-04-20 from:
<https://www.tullverket.se/foretag/internationellhandel/exporteravaror/frihandelvidexport/intygvidexport/varucertifikatatr.4.792224361590183a4d339b1.html>.

Tullverket. (n.d. q). *Tillstånd för passiv förädling*. Retrieved 2023-04-20 from:
<https://www.tullverket.se/foretag/internationellhandel/exporteravaror/exporteraforbearbetningellerreparation/passivforadling/tillstandtillpassivforadling.4.226de36015804b8cf35222b.html>.

Tullverket. (n.d. r). *Tillstånd till godkänd exportör ursprung*. Retrieved 2023-04-20 from:
<https://www.tullverket.se/foretag/internationellhandel/exporteravaror/frihandelvidexport/intygvidexport/fakturadeklarationursprungsdeklarationochursprungsforsakran/godkandexportoransokanochtillstand.4.5c3d004415b89fa6ac765c.html>.

Tullverket (n.d. s). *Passiv förädling*. Retrieved 2023-04-20 from:
<https://www.tullverket.se/foretag/internationellhandel/exporteravaror/exporteraforbearbetningellerreparation/passivforadling.4.6ac2c843157b7beb00719d.html>.

Tullverket. (n.d. t). *Registrerad exportör - ansökan och registrering*. Retrieved 2023-02-03 from:
<https://www.tullverket.se/foretag/internationellhandel/exporteravaror/frihandelvidexport/intygvidexport/fakturadeklarationursprungsdeklarationochursprungsforsakran/registreradexportorex/registreradexportoransokanochregistrering.4.1ae34b17159018cf7a6532.html>.

Tullverket. (n.d. u). *Fakturadeklaration, ursprungsdeklaration och ursprungsförsäkran*. Retrieved 2023-04-20 from:
<https://www.tullverket.se/foretag/internationellhandel/exporteravaror/frihandelvidexport/intygvidexport/fakturadeklarationursprungsdeklarationochursprungsforsakran.4.792224361590183a4d3397d.html>.

Tullverket. (n.d. v). *Den viktiga egenkontrollen*. Retrieved 2023-04-16 from:
<https://www.tullverket.se/foretag/internationellhandel/godatullrutinersaplanerarkontrollerarochfoljerduuppdinverksamhet/denviktigaegenkontrollen.4.153f8c8c16ffad23c22ee3.html?fbclid=IwAR1E9CqtEATFcAd8zYz8fqMCpyIJ754Y7gS8LLU3FTslmHomY5FSziuQxHM>.

Tullverket. (n.d. w). *Tullrevision – hur går det till?*. Retrieved 2023-02-19 from:
<https://www.tullverket.se/foretag/internationellhandel/godatullrutinersaplanerarkontrollerarochfoljerduuppdinverksamhet/tullrevisionhurgardettill.4.153f8c8c16ffad23c22eef.html>.

Tullverket. (n.d. x). *Styrkande handlingar vid export*. Retrieved 2023-02-19 from:
<https://www.tullverket.se/foretag/internationellhandel/exporteravaror/deklareraravarorvidexport/styrkandehandlingarvidexport.4.78aa922815794d801e25e3.html>.

Tullverket. (n.d. y). *Varor med exportrestriktioner*. Retrieved 2023-02-19 from:
<https://www.tullverket.se/foretag/internationellhandel/exporteravaror/varormedexportrestriktioner.4.6ac2c843157b7beb007236.html>.

Tullverket. (n.d. z). *Varor med importrestriktioner*. Retrieved 2023-02-19 from: <https://www.tullverket.se/foretag/internationellhandel/importeravaror/varormedimportrestriktioner.4.6ac2c843157b7beb007638.html>.

Tullverket. (n.d. aa). *E-tjänster för företag*. Retrieved 2023-04-20 from: <https://www.tullverket.se/foretag/ansokochdeklarera/etjansterforforetag.4.7df61c5915510cfe9e7f65f.html>.

Tullverket. (n.d. ab). *Exportbevis*. Retrieved 2023-02-19 from: <https://www.tullverket.se/foretag/internationellhandel/exporteravaror/deklareraravarorvidexport/exportbevis.4.226de36015804b8cf354cf.html>.

Tullverket. (n.d. ac). *Systemet för tullbeslut, CDS*. Retrieved 2023-04-20 from: <https://www.tullverket.se/foretag/ansokochdeklarera/etjansterforforetag/systemetfortullbeslut/cds.4.5c3d004415b89fa6ac730f0.html>.

Tullverket. (n.d. ad). *Call me-koder*. Retrieved 2023-02-22 from: <https://www.tullverket.se/foretag/ansokochdeklarera/deklarationsstod/koderfortullhantering/callmekoder.4.6ac2c843157b7beb007c5.html>.

Tullverket. (n.d. ae). *Varucertifikat EUR.1 och varucertifikat EUR-MED*. Retrieved 2023-02-22 from: <https://www.tullverket.se/foretag/internationellhandel/exporteravaror/frihandelvidexport/intygvidexport/varucertifikateur1ochvarucertifikateurmed.4.792224361590183a4d339a0.html>.

Tullverket. (n.d. af). *Ansök om tillstånd för e-tjänster*. Retrieved 2023-04-20 from: <https://www.tullverket.se/foretag/ansokochdeklarera/etjansterforforetag/ansokomtillgangtilltullverketsetjanster.4.78aa922815794d801e2248.html>.

Tullverket. (n.d. ag). *Kriterier för AEO-status*. Retrieved 2023-02-01 from: <https://www.tullverket.se/foretag/ansokochdeklarera/tillstandochregistreringar/aeogodkandedekonomiskaktor/aeotillstand/kriterierforaeostatus.4.226de36015804b8cf35246c.html>.

Tullverket. (n.d. ah). *AEO – godkänd ekonomisk aktör*. Retrieved 2023-01-27 from: <https://www.tullverket.se/foretag/ansokochdeklarera/tillstandochregistreringar/aeogodkandedekonomiskaktor.4.792224361590183a4d320a8.html>.

Wilmott, P. (2007). A review of the European Commission's plan for an electronic customs environment. *World Customs Journal*, 1(1), 11-17.
[https://worldcustomsjournal.org/Archives/Volume%201%2C%20Number%201%20\(Mar%202007\)/04%20A_review_of_the_European_Commissions_plans_for_an_electronic_customs_environment.pdf](https://worldcustomsjournal.org/Archives/Volume%201%2C%20Number%201%20(Mar%202007)/04%20A_review_of_the_European_Commissions_plans_for_an_electronic_customs_environment.pdf).

Wisner, J., Leong, G., & Tan, K. (2018). *Principles of supply chain management: A balanced approach* (Fifth ed.). Cengage.

World Customs Journal. (n.d.). *About the Journal*. Retrieved 2023-03-17 from:
<https://worldcustomsjournal.org/publishing-details/>.

World Customs Organization. (2018). *Integrated Supply Chain Management Guidelines – Customs guidelines on integrated supply chain management*. Retrieved 2023-02-16 from:
<https://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/safe-package/guidelines-on-iscm.pdf>.

World Customs Organization. (2021). *SAFE Framework of Standards*. Retrieved 2023-02-16 from:
<https://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/safe-package/safe-framework-of-standards.pdf>.

World Customs Organization. (n.d. a). *What is the Harmonized System (HS)?*. Retrieved 2023-01-25 from:
<https://www.wcoomd.org/en/topics/nomenclature/overview/what-is-the-harmonized-system.aspx>.

World Customs Organization. (n.d. b). *The HS: a Multi-Purpose Tool*. Retrieved 2023-01-25 from:
<https://www.wcoomd.org/en/topics/nomenclature/overview/hs-multi-purposes-tool.aspx>.

World Trade Organization. (n.d.). *Evolution of trade under the WTO: handy statistics*. Retrieved 2023-04-21 from:
https://www.wto.org/english/res_e/statistics/trade_evolution/evolution_trade_wto_e.htm.

Zhou, X., Tan, Y., & Rukanova, B. (2021). Enabling Supply Chain Visibility and Compliance Through Voluntary Information Sharing with Customs: A Case Study of the Global Quality Traceability System in China Customs. *World Customs Journal*, 15(2).
[https://worldcustomsjournal.org/Archives/Volume%2015%2C%20Number%202%20\(Sep%202021\)/1922%2001%20WCJ%20v15n2%20Zhou%20et%20al.pdf](https://worldcustomsjournal.org/Archives/Volume%2015%2C%20Number%202%20(Sep%202021)/1922%2001%20WCJ%20v15n2%20Zhou%20et%20al.pdf).

Volpe Martincus, C., Carballo, J., & Graziano, A. (2015). Customs. *Journal of International Economics* 96(1), 119-137.
<https://doi.org/10.1016/j.jinteco.2015.01.011>.

Widdowson, D. (2007). The changing role of customs: Evolution or revolution? *World Customs Journal*, 1(1), 31-37.
[https://worldcustomsjournal.org/Archives/Volume%201,%20Number%201%20\(Mar%202007\)/06%20The_changing_role_of_Customs_evolution_or_revolution.pdf](https://worldcustomsjournal.org/Archives/Volume%201,%20Number%201%20(Mar%202007)/06%20The_changing_role_of_Customs_evolution_or_revolution.pdf).

Widdowson, D. (2016). Managing the border: A transformational shift to pre-export screening. *World Customs Journal*, 10(2), 3-16.

[https://worldcustomsjournal.org/Archives/Volume%2010%2C%20Number%202%20\(Sep%202016\)/1806%2001%20WCJ%20v10n2%20Widdowson.pdf](https://worldcustomsjournal.org/Archives/Volume%2010%2C%20Number%202%20(Sep%202016)/1806%2001%20WCJ%20v10n2%20Widdowson.pdf).

Appendix I

Interview guides for the external respondents

The questions asked to the external respondents are presented in the table below. An “X” in the table describes that the question was part of the prepared interview guide. However, depending on the topics discussed during the interviews, not all questions were suitable to ask, and thereby the interview guides varied. Moreover, the prepared interview guides varied among the respondents due to their different positions. Furthermore, some questions asked in the first interviews were not as functional as planned, and hence removed from the following interview guides.

Respondents

A - David Hellsing, Customs Adviser

B - Malin Madsen, Gerlach Sweden AB

C - Marie Magnusson, the Swedish Customs

D - Peter Hellman, the West Sweden Chamber of Commerce

E - Marlene Andersson & Almir Cerimagic, JAS Worldwide Sweden AB

Questions	A	B	C	D	E
Are we allowed to record the interview?	X	X	X	X	X
Would you like to be anonymous?	X	X	X	X	X
How has your working career been up until this point, in short?	X	X		X	
How many years of experience do you have at the company you work for?			X		X
What is your role at the company that you work for?	X	X	X	X	X
Which kind of customs services do you provide?		X		X	X
When you think about customs, what is the first thing that comes to your mind?	X		X		
In your role, what is the biggest challenge that you are encountering at companies regarding their customs management?	X	X	X	X	X
What is a good customs procedure according to you?	X	X	X	X	X
Where are customs procedures lacking, in general, according to you?	X	X	X	X	X
What are, according to you, common mistakes conducted by businesses regarding customs?	X	X	X	X	X
Is there a knowledge gap amongst our clients? / What is the knowledge gap regarding customs amongst your clients?		X		X	X

Do your clients understand their responsibility regarding customs?		X		X	X
What would you like your clients to have more knowledge about?				X	X
How good is the case company at their customs management?					X
Do you see any “low hanging fruit” in order for companies to do better with their customs?	X	X	X	X	X
Which actor do you think has the greatest responsibility for well-functioning customs procedures in society?	X	X	X	X	X
Is there anything mentioned during the interview that you wish to exclude?	X	X	X	X	X
Would you like to read the study once it is done?	X	X	X	X	X

Appendix II

Interview guide for the Supply chain manager at the case company

Are we allowed to record the interview?

What is your role at the company and what do you do in this role?

Where have you learnt about customs?

Supply Chain

Could you give a clear picture of what the goods flow looks like?

What do you buy and where does it come from?

Customs management at the case company

Are you involved in the company's customs management?

Who manages customs matters at the company?

Have you identified any deficiencies in the company's customs management?

How do you ensure that all information stated at your declarations are correct?

How is customs managed at a "higher level" at the company?

What potential do you expect with good customs management?

What do you consider to be the highest risk with deficient customs management?

Do you know which certificates and permits you have?

Who ensures that conditions and requirements for permits are complied with?

Which documents do you currently have in order to support your declarations in case the company would be subject to a customs audit?

Appendix III

Interview guide for VAT & Finance controller at the case company

Is it okay to record the interview?

How has your career looked, in short, up until this point?

What are your current roles at the company where you work?

Customs and VAT

Could you explain the internal VAT procedures?

Could you explain the connection between customs management and VAT at your company?

How involved are you with customs management at the case company?

How is VAT management initiated at your department?

What contact do you have with customs brokers, freight forwarders and the supply chain department at the case company?

How well do you think that the case company manages customs matters?

Do you see any improvement potential regarding customs management at the case company?

Do you see any evident problems in the customs management?

Do you calculate the economic value and possible customs duties, or who does this?

How do you ensure that you have the correct basis for VAT calculations?

In what tasks do you take exchange rates into account?

How do you ensure that the exchange rate is updated?

Closing questions

Is there any further information that you would like to provide which could be relevant when mapping the case company's customs management?

Is there anything mentioned during the interview that you wish to exclude?

Would you like to read the study once it is done?

Appendix IV

Interview guide for planners at the case company.

Which role do you have at the case company and what do you do in this role?

What are you responsible for purchasing?

- Do you know where it is purchased from?
- Do you know which commodity code it regards?

What are you responsible for distributing?

- Do you know where it is purchased from?
- Do you know which commodity code it regards?

In your work, do you in some way handle customs?

- Do you handle classifications?
- Do you handle origin?
- Do you handle the economic value of the goods?

Please specify if you conduct these procedures by yourself or in what way you handle it.

Appendix V

Interview guide for the Supply chain developer at the case company

Is it okay to record the interview?

Supply chain and transports

Which transport modes do you use?

Do you use any consolidation centres or are products transported directly from vendors to your site in Sweden?

What is the definition of Direct export customers (DEX)?

Do you use a bonded warehouse? Why/why not?

Do you use transit? Why/why not?

Do you use the same transport company for all countries?

Who pays for the transportation of your products (both for components and finished products)?

Who plans the transportation of your products (both for components and finished products)?

Which actors act as your customs brokers?

Internal customs procedures

How do you ensure that all imports and exports are declared for customs?

How do you ensure that all information in your customs declaration is correct?

Who ensures that requirements and criteria in certificates are complied with?

Is there anyone at the company who has updated customs competence?

If you need to change anything in a declaration within three years, who does this?

Which documents do you have to support your declarations for the Swedish Customs in case of a customs audit?

Whose email is usually given out as the contact person in customs matters? How do you ensure that it is updated?

Internal processes and contact with customs brokers

How does the division of labour look between you and the customs brokers? Who does what?

What information do you send to the customs brokers?

How, and where, do you keep supporting documents?

How is the connection between the VAT-department and the department for transport booking?

Are any of your vendors sister companies or similar?

Do you in some way ensure that the cost of tools are included in the economic value of the goods?

Appendix VI

In the figure below, a rich picture of how customs is handled at the case company today is presented. There are many details in the picture and it might take some time to grasp the complexity of it. However, when presenting the picture at the case company, animations were used in order to introduce the information step by step.

