

GFTrade

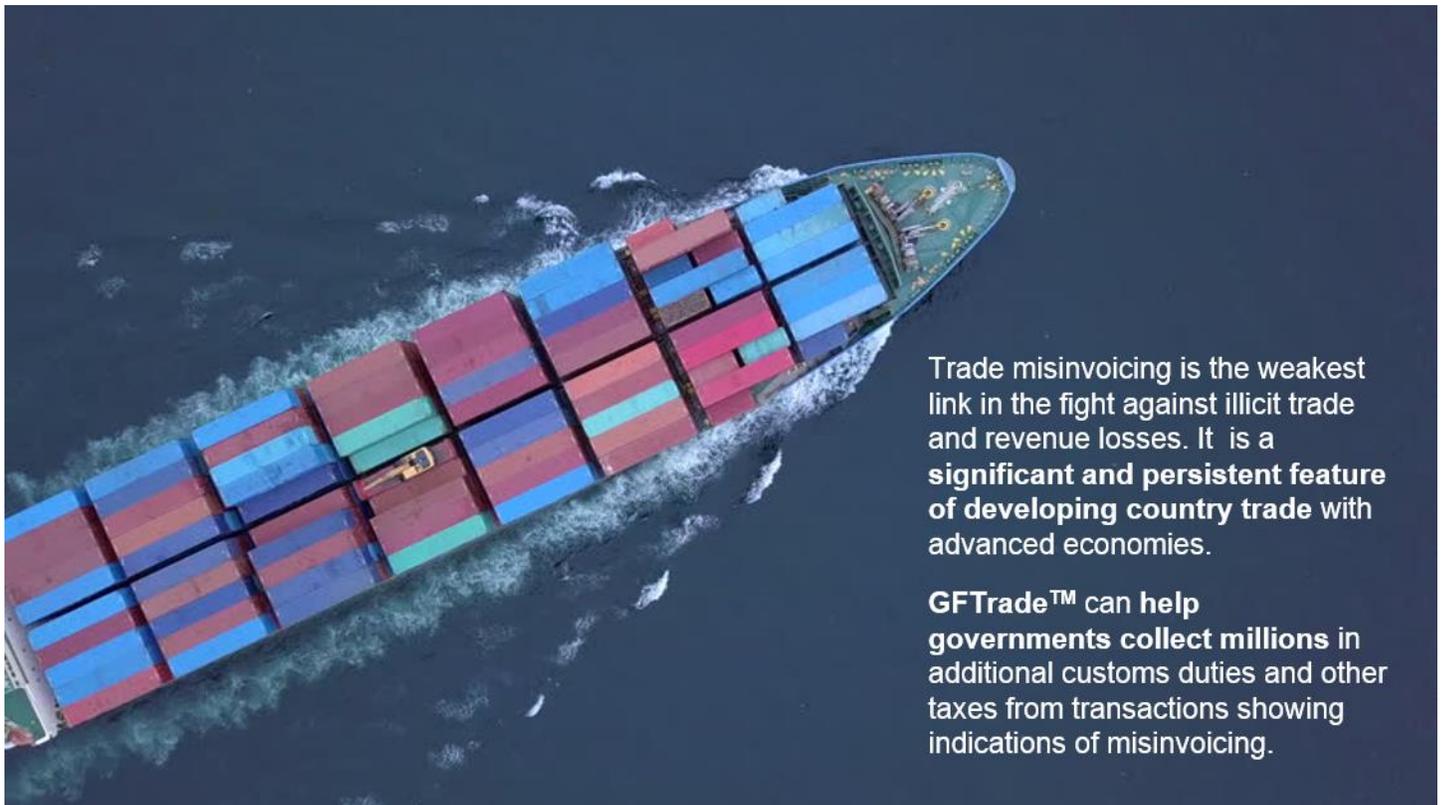
SOLUTIONS FOR INSPIRED ECONOMIES



GLOBAL FINANCIAL INTEGRITY



GFTrade™ is a proprietary, cloud-based risk assessment tool designed by **Global Financial Integrity** to help detect international trade transactions showing an indication of **trade misinvoicing**.



Trade misinvoicing is the weakest link in the fight against illicit trade and revenue losses. It is a **significant and persistent feature of developing country trade with advanced economies.**

GFTrade™ can help **governments collect millions in additional customs duties and other taxes from transactions showing indications of misinvoicing.**

For more information or a demonstration of **GFTrade™** please contact Tom Cardamone, President & CEO
tcardamone@gfintegrity.org | +1 (202) 293-0740 | www.gfintegrity.org/gftrade

GFTrade removes the asymmetry of information in international trade transactions.

How it works

The system enables users to **quickly determine** whether goods being imported or exported are priced outside average price ranges for comparable commodities.

- GFTrade uses official **monthly trade data from 31 countries**, including China, the U.S., Japan, and EU28, to compare the information provided by the declarant (declared value, quantity, and commodity) with the average prices reported by any of the 31 trading partners;
- GFTrade displays **visual price comparisons in several ways** to facilitate analysis and use.

Benefits

GFTrade **increases customs clearance efficiency**. The system is designed to help customs officials place more focus and scrutiny on the commodities posing a high risk of misinvoicing. Similarly, it enables users to quickly clear low-risk commodities, saving time and effort.

- For customs valuation officers, GFTrade **acts as a risk filter** that is designed to complement existing customs clearance procedures;
- For post-clearance units, GFTrade data can **help fine-tune risk management** in customs clearance procedures by better targeting commodities and trading routes exposed to trade misinvoicing.

Case study: \$100+ million in under-invoicing detected over a 12-week period

Actual GFTrade usage from a government showing transactions flagged for potential misinvoicing during a 12-week period.

HS Code	Name	% Below Avg	Value	Partner Country
23099010	Fish Solubles	99.79%	\$43,161,507	Belgium
42022100	Handbags	99.98%	\$21,703,128	China
35069190	Adhesives	99.79%	\$10,484,213	Germany
84212199	Water Purifiers	99.97%	\$9,972,000	Italy
03035100	Frozen Herrings	98.45%	\$2,724,638	Netherlands
35079090	Enzymes	69.12%	\$1,752,473	Spain
85285900	Monitors	99.76%	\$1,598,258	United Kingdom
40122000	Used Tyres	99.80%	\$1,510,351	United Kingdom
12099180	Vegetable Seeds	99.26%	\$962,032	Netherlands
39233010	Packaging	95.29%	\$957,511	Spain

Difference between GFTrade Total Avg. Value and Total Value Declared by Importer

Why use GFTrade?

Trade misinvoicing – which involves the deliberate falsification of the price, quantity, or commodity of an international trade transaction – is the **largest component of illicit financial flows** measured by Global Financial Integrity, which was close to US\$1 trillion for developing countries in 2015. On average, trade misinvoicing is equivalent to 18 percent of total trade with advanced economies among all developing countries.

- Despite its prevalence in the global economy, **little focus has been placed on combatting the problem**;
- Customs departments worldwide are generally **under-staffed and under-resourced** to cope with trade misinvoicing.

Trade misinvoicing occurs in all countries and for various reasons including to evade tax and/or customs duties, launder the proceeds of crime, circumvent currency controls, and hide profits offshore, among others. In developing and emerging market nations trade misinvoicing can **drastically undermine domestic resource mobilization**.

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