



BDO Asia Pacific Regional Conference

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Leveraging Global Value
Chain Solutions to Drive Value
Panel Discussion



Today's Panel



Tom Ewigleben

APAC GVC Leader
BDO Singapore
thomasewigleben
@bdo.com.sg



Melea Cruz

Head of Tax and
Legal
BDO Thailand
melea.cruz@bdo.th



Zara Ritchie

Australian Leader,
Transfer Pricing &
GVC
BDO Australia
zara.ritchie@
bdo.com.au



Jackson Cai

Executive Director
Goods and Services
Tax
BDO Singapore
jacksoncai@
bdo.com.sg

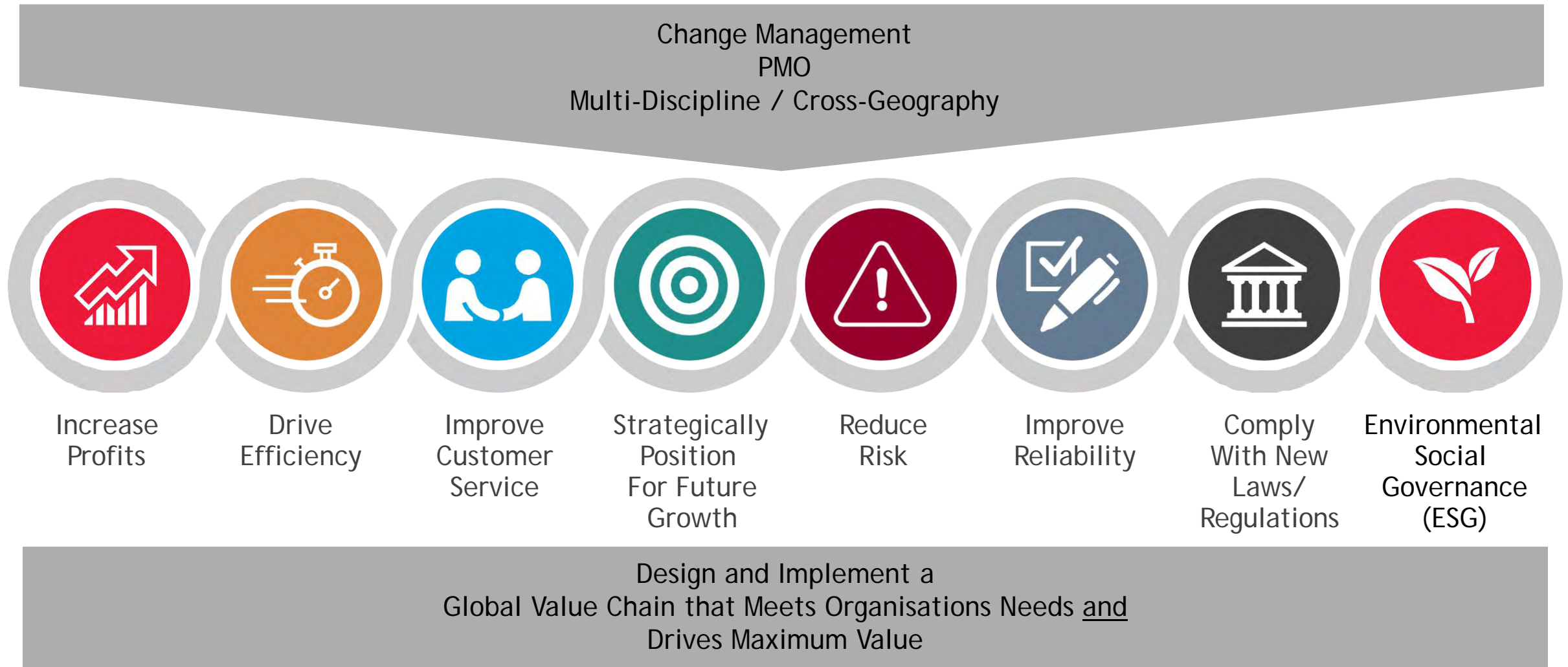


Ashley Hetrick

Sourcing & Supply
Chain Segment
Leader
Principal, BDO US
Management
Consulting
ahetrick@bdo.com

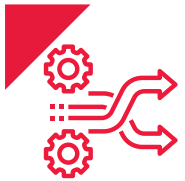
Leveraging Global Value Chain Solutions to Drive Value

How does GVC Solutions Drive Value?



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Interconnectivity of Company Life Events



Supply Chain Transformation



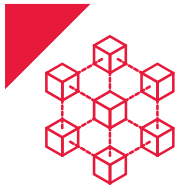
M&A - Integration of products, sales, etc.



Legal Entity Rationalisations



Inconsistent Global Profits



Centralisation of Functions or Centers of Excellence



Lean Initiatives



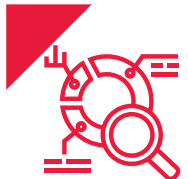
ERP Implementations



Regulatory Concerns



Intercompany Financing Needs



Significant R&D and IP



Digital Footprint



Significant Transactional Tax Costs

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Case Study: Global Auto Supplier - Introduction

Background

- Both EV and combustion engine supplier
- Manufacturing footprint entirely in China
- Company facing high transportation costs, declining on-time service, and inability to meet customer demand
- Company has a very decentralized operating model
- Company has a number of technology initiatives in early stages
- Company has a high effective tax rate and is being negatively impacted by high duties costs



Initial client meeting included relationship partner, tax, GVC, and Supply Chain Advisory



Key Opportunities Identified:

1. Shoring strategy including location analysis
2. Green incentive qualification analysis and funding
3. FTA / duties analysis
4. Centralized supply chain organization
5. Centralized data hub

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Case Study: Global Auto Supplier - Strategies Implemented

Project

- Project team included GVC, SC Advisory, Digital Advisory, Transfer Pricing, Direct and Indirect Tax, Customs, and Global Mobility
- Multiple local country teams involved
- Three Phases: (1) Assessment, (2) Design, (3) Implementation
- Project led to several pull through service opportunities

Strategies Implemented

- Selected Thailand and Mexico for production sites
- Implemented supply chain principal in Thailand utilizing digitalization to drive efficiencies
- Implemented data hub in Singapore
- Assisted client with obtaining financial and other incentives in Thailand, Mexico, and Singapore
- Qualified products for US EV incentives
- Simplified transfer pricing flows and indirect tax compliance

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Case Study: Global Auto Supplier - Results and Benefits



Greatly increased supply chain responsiveness and resilience



Avoided higher tariffs on China manufactured products and increased access to free trade agreements



Generated significant liquidity through incentives, including qualification for green incentives



Created tax efficient platform for data monetization and intellectual property



Reduced compliance costs and risk through simplified transfer pricing and indirect compliance processes

Highlights

- Excess of \$3M of fees over two-year project
- Team comprised of 7 practice areas and 5 countries
- Estimated \$1.5M of immediate pull through work
- Discussions in progress on more areas of need including legal entity rationalization

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Key Takeaways

- 1 Company life events create opportunities for GVC projects
- 2 Projects usually start small and expand as additional opportunities are identified
- 3 Projects require a holistic approach involving multiple disciplines and countries
- 4 Clients demand trusted business advisors with “been there done that” experience
- 5 GVC services can help you drive revenues through global projects

Questions?



Tom Ewigleben
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BDO Singapore
thomasewigleben
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bdo.com.sg



Ashley Hetrick
Sourcing & Supply
Chain Segment
Leader
Principal,
Management
Consulting
ahetrick@bdo.com

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