



How TREMCO Manages the Everchanging Landscape of Global
Trade using SAP Global Trade Services (GTS)

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ASUG83195

About the Speakers

Kevin Riddell

- Director, Trade & Regulatory Compliance, Tremco Inc.
- 25 Years @ Tremco, background International Logistics
- Canadian, eh?

Key Outcomes/Objectives

1. Discover how Tremco leverages SAP GTS to ensure global trade compliance and challenges involved in a global roll out of SAP GTS
2. Come away with best practices, tips and tricks for SAP GTS implementation and use
3. Share your expertise! This can be a discussion

Agenda

- Background: GTS at Tremco – 5 min
- Current use of SAP GTS – 5 min
- Global roll out and other challenges – 15 min
- Tips and Tricks – 10 min
- Questions? – 5 min

Tremco Incorporated

We take protection seriously.

Total Building Envelope Protection

Deck Coating Systems

- Tremco Vulkem® Coatings
- Polyurethane Methacrylate Coatings

Air Barrier Systems

- Spray, Roller-Grade and Self-Adhered Air & Vapor Barrier Membranes
- Vapor-Permeable Air Barrier Membranes
- Thru-Wall Flashing Membrane
- Compatible Sealants and Mastics

Systems for the Control of Interior Air Movement

- Tremco Tremflex® Sealant and TREMatex® Firestopping Products

Interior Sealing and Finishing Systems

- Tremco Vulkem®, Tremflex® and Tremisol® Sealants

Glazing and Transition Systems

- Structural Silicone Sealants
- Hurricane/Impact- and Blast-Resistant Systems
- Glazing Tapes
- Compatible Gaskets, Spacers and Blocks

Exterior Sealant Systems

- Silicone Sealants Including Non-Staining and Field-Tintable Selections
- High-Performance Polyurethane Hybrid Sealants
- Polyurethane Sealants for Damp and Green Concrete
- Single- and Multi-Component Urethanes Offering up to 70 Standard Colors
- Pre-Compressed Polyurethane Foam Sealant

Vegetated Roofs

- Thin, Lightweight Built-Up Systems
- Modular Systems
- Intensive, High-Performance Built-Up Systems

Waterproofing and Drainage Systems

- Hot and Cold Fluid-Applied Systems for Critical High-Build Applications
- "Green Concrete" Spray- and Fluid-Applied Membranes
- Dual Protection Bentonite/HDPE Sheet Membranes
- Prefabricated Drainage/Protection Boards
- Polyurethane Methacrylate Membranes

It was 1928 when William Treuhaft opened his small roofing materials manufacturing plant in Cleveland, Ohio. The company was called Tremco Incorporated. Today Tremco is an RPM International Inc. affiliate company employing over 2,000 people*

*<https://www.tremcoinc.com/about-us/>

<https://youtu.be/b45YzJzkXGQ>



Background: GTS at Tremco

- Implemented SAP GTS in 2011, go-live 2012
- Implemented USA, Canada 2012
- Partner Krypt Inc. (Booth 1343)
- Functions: SPL, Embargo, Legal Control, Classification & Preference

Background: GTS at Tremco

- Since 2012 implemented in Brazil, Australia
- 14 FTO's
- Little functional change post 2012 except addition of new FTA/HTS for AU, and legal control regulations

Construction Products Group

Better Strategic Alignment



\$5.3 billion

Consumer Group

Specialty Products Group

Construction Products Group

Performance Coatings Group



Better strategic alignment

Organization-wide operational excellence and continuous improvement initiatives

Center-led in manufacturing & operations, procurement, information technology and accounting/finance

Owned by RPM International Inc. (NYSE: RPM), Tremco is leading the integration of other RPM products companies into the Construction Products Group*

*<http://www.rpminc.com/investor-information/presentation-s-webcasts/>



Construction Products Group

- 1-3 year plan roll out GTS to:
 - Europe
 - Asia
 - Middle East
 - South America
- Connect to S/4 and use HANA

Current use of SAP GTS

- SPL, Embargo, Legal Control:
 - US
 - CA
 - BR
 - AU
- Classification, Preference:
 - US
 - CA
 - AU

SAP Global Trade Services

Compliance Management

- Sanctioned Party List Screening
- Legal Control - Import
- Legal Control - Export
- Classification / Master Data

Customs Management

- Export
- Import
- Monitoring for Inventory-Managed Customs Procedures
- Control of Goods Movements Subject to Excise Duty
- Classification
- Master Data

Risk Management


- Preference Processing
- Preference Processing - Master Data
- Restitution
- Restitution - Master Data
- Letter of Credit Processing

Electronic Compliance Reporting

- Intrastat
- Commodity Codes / Classification
- Master Data

System Administration

- Archiving
- System Monitoring
- System Communication

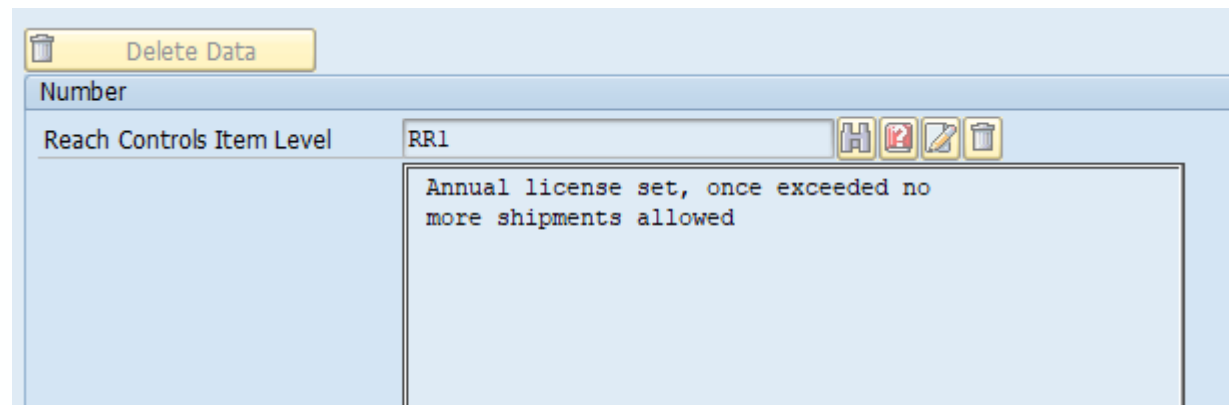


Current use of SAP GTS - SPL

- All partners & documents synchronous screening
- Daily content updates, weekly delta screening
- Access to full content from Descartes
- Have disabled several lists since go live
- Hit rate @1.5%

Current use of SAP GTS – Legal Control

- Multiple Import and Export controls in US & CA
- All locations restricted for export to Europe, as part of REACH compliance*



- *PLM Notification and SVT functionality not configured

Current use of SAP GTS - Classification

- HTS US/CA/AU subscription (Descartes)
- ECCN USA subscription (Descartes)
- ECCN Canada manually configured
- Various other manually configured schemes (i.e. REACH)

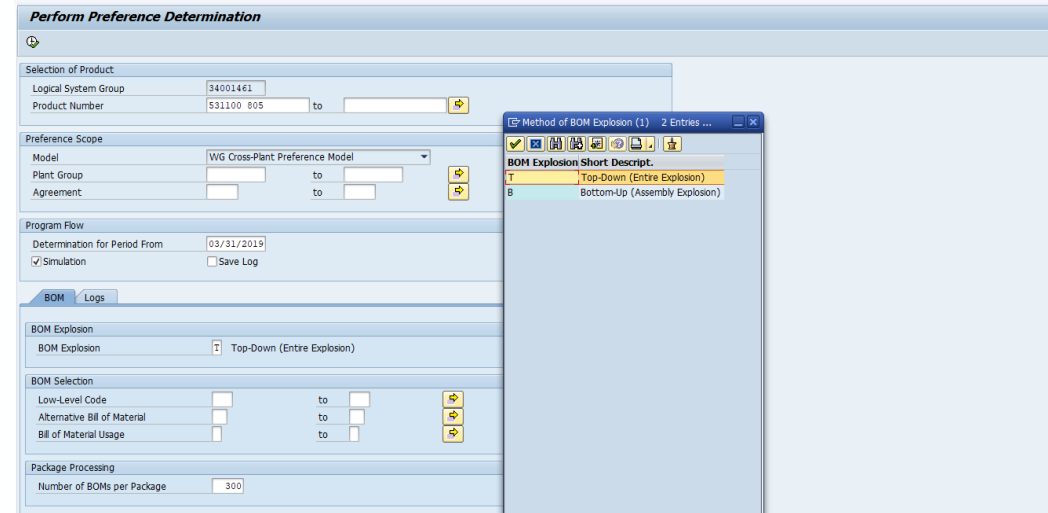
Current use of SAP GTS - Preference

- 2 agreements:

- NAFTA

- US/AU

- Discontinued manual configuration for Buy America (system errors with “Bottom Up” BOM explosion)



Global roll out and other challenges

- CPG group roll out
- Changing/new free trade agreements
- Special tariffs
- End use and 50% ownership sanctions

Global roll out and other challenges

- Global roll out of GTS:
 - Europe
 - Asia
 - Middle East
 - South America

Global roll out and other challenges

- Global roll out of GTS SPL:
- 1 language using non traditional alphabet (Korea)
- Multiple SPL legal regulations:
 - USA
 - Rest of world? Or need to be more defined?

Global roll out and other challenges

- Global roll out of GTS Customs Management:
 - Several European entities self file their exports, and we will need to activate GTS' Customs Management functionality to support this

Global roll out and other challenges

- Global roll out of GTS Preference:
 - German entity uses 3rd party software for Preference Management, covering 15 agreements
 - GTS will need content for these agreements if we are bringing them into scope

Global roll out and other challenges

- Changing FTA landscape:
 - Earlier mentioned CPG needs, but also...
 - NAFTA vs. USMCA (or can I say CUSMA, eh?)



- Is it going to happen?

Global roll out and other challenges

- Tremco's products are largely in the chapter 27 to 39 range
- USMCA:

Section VI - Products of the Chemical or Allied Industries (Chapter 28-38)

Note 1: A good of any chapter or heading in Section VI that satisfies one or more of Rules 1 through 8 of this Section shall be treated as an originating good, except as otherwise specified in those rules.

Note 2: Notwithstanding Note 1, a good is an originating good if it meets the applicable change in tariff classification or satisfies the applicable value content requirement specified in the rules of origin in this Section.

Rule 1: Chemical Reaction Rule

A good of Chapter 28 through 38, except a good of heading 33.01 or 38.23, or subheading 2916.32 or 3502.11 through 3502.19, that results from a chemical reaction in the territory of one or more of the Parties shall be treated as an originating good.

For the purposes of this rule, a "chemical reaction" is a process (including a biochemical process) that results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

The following are not considered to be chemical reactions for the purposes of determining whether a good is an originating good:

- (a) dissolution in water or in another solvent;
- (b) the elimination of solvents, including solvent water; or
- (c) the addition or elimination of water of crystallisation.

Rule 2: Purification Rule

Global roll out and other challenges

- Why does this matter? GTS users in the room: chance for ASUG swag...

Assign Conditions to a Product

Product Selection

Logical System Group	34001461	
Product	531100 805	<input type="text"/> →

Agreement-Related Data

Agreement Rule Set	<input checked="" type="checkbox"/>	
Key Date	03/31/2019	
Customs Tariff Number	<input type="text"/> to <input type="text"/>	→

General Data

Product Created On	<input type="text"/>	to	<input type="text"/>	→
Product Changed On	<input type="text"/>	to	<input type="text"/>	→
Product Created By	<input type="text"/>	to	<input type="text"/>	→
Product Changed By	<input type="text"/>	to	<input type="text"/>	→
Product Status	<input type="text"/>	to	<input type="text"/>	→

Global roll out and other challenges

- Special tariffs: Tremco does not use Customs Management, but maintains a database of classification and origin driven by our Preference work
- Purchasing has leveraged this database to investigate exposure to special tariffs

Global roll out and other challenges

- Tricky sanctions
- Remember that SPL check alone cannot guarantee compliance, especially in risky areas
- Make use of company driven lists for SPL checks, to fill in gaps in publicly available lists

Global roll out and other challenges

- This entity is NOT listed by any government agency



The screenshot shows the U.S. Department of the Treasury website. The header includes the Treasury logo and the text "U.S. DEPARTMENT OF THE TREASURY". Below the header is a navigation bar with links for "ABOUT TREASURY", "SECRETARY MNUCHIN", "POLICY ISSUES", "DATA", "SERVICES", and "NEWS". The main content area is titled "Resource Center" and features a sidebar with various links. The main content area is titled "Venezuela-related Sanctions" and includes a sign-up form for e-mail updates, a "Frequently Asked Questions" section, and an "Interpretive Guidance" section. A yellow circle highlights the text "GENERAL LICENSE NO. 7 Authorizing Certain Activities Involving PDV Holding, Inc. and CITGO Holding, Inc." in the "Frequently Asked Questions" section.

U.S. DEPARTMENT OF THE TREASURY

ABOUT TREASURY SECRETARY MNUCHIN POLICY ISSUES DATA SERVICES NEWS

Consumer Policy

Economic Policy

Financial Markets, Financial Institutions, and Fiscal Service

Financial Sanctions

Specially Designated Nationals List (SDN List)

Consolidated Sanctions List

Search OFAC's Sanctions Lists

Additional Sanctions Lists

OFAC Recent Actions

Complete List of Sanctions Programs and Country Information

Frequently Asked Questions

OFAC Civil Penalties and

Resource Center

Home » Resource Center » Financial Sanctions » Programs » Venezuela-related Sanctions

Venezuela-related Sanctions

Sign up for Venezuela-related Sanctions e-mail updates.

Frequently Asked Questions

OFAC has compiled hundreds of frequently asked questions (FAQs) about i below sends the user to the entire list of OFAC's FAQs.

- Issuance of Additional Frequently Asked Questions on Venezuela (issued on January 31, 2019)
- Frequently Asked Question Regarding Executive Order of January 25, 2019 "Taking Additional Steps to Address the National Emergency with Respect to Venezuela"
- Frequently Asked Questions Regarding Venezuela-related Sanctions
- OFAC Frequently Asked Questions

Interpretive Guidance

OFAC issues interpretive guidance on specific issues related to the sanctions programs it administers. These interpretations of OFAC policy are sometimes published in response to a public request for guidance or may be released proactively by OFAC in order to address a complex topic.

GENERAL LICENSE NO. 7

Authorizing Certain Activities Involving PDV Holding, Inc. and CITGO Holding, Inc.

Tips and Tricks

- SPL: “Trust, but verify”
- Legal Control: “Garbage in, garbage out”
- Preference: do you need to automate?
- Influence

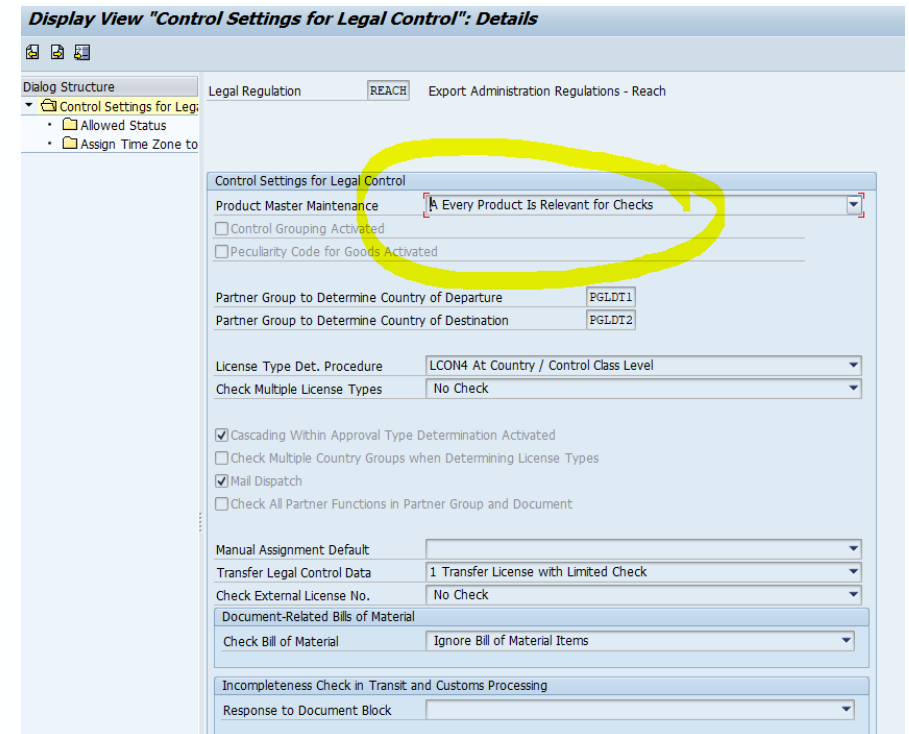
Tips and Tricks

- SPL: “Trust, but verify”
- Audit regularly
- Test – in PRODUCTION environment
- Make use of “Reason for release” report



Tips and Tricks

- Legal Control: “Garbage in, garbage out”
- Legal control depends on proper product classification
- If regulation is serious enough, ensure unclassified products are blocked



Tips and Tricks

- Preference: do you need to automate?
- Set a threshold – a business decision (NOT an IT decision!) above which agreements should be automated – i.e. 500 certs a year*
- *just a random example: not legal advice ;)

Tips and Tricks

- Influence!
- Join the ASUG GTS User Influence Council and the SIG!

The screenshot displays the SAP Customer Connection interface for the 'SAP Global Trade Services 2019' project. The page is divided into several sections:

- Overview:** Shows 188 improvement requests submitted and 8 blogs. A green bar indicates 'You are Following'.
- Contact us:** Features a profile for Nadine Engler with an email icon.
- Tags:** Includes the tag 'SAP Customer Connection'.
- Project Details:** 'SAP Customer Connection' header, 'SAP Global Trade Services 2019' title, 'Collect ended on Jan 23, 2019', 'Status: Active', and statistics: 188 questions, 1765 views, and 418 followers.
- Timeline:** An 'Overall Timeline' bar shows 'Start of Project' (red diamond), 'Selection Call' (green diamond), and 'Delivery Call' (green diamond). Below it, a 'Collect' bar shows 'Start of Collection' (green diamond) and 'End of Collection' (green diamond). A vertical pink line marks 'Today: Mar 31, 2019'.
- Image:** A photograph of a suspension bridge at night with lights reflecting on the water.

Take the Session Survey.

We want to hear from you! Be sure to complete the session evaluation on the SAPPHIRE NOW and ASUG Annual Conference mobile app.



Presentation Materials

Access the slides from 2019 ASUG Annual Conference here:

<http://info.asug.com/2019-ac-slides>

Q&A

For questions after this session, contact us at kriddell@tremcoinc.com and <https://www.linkedin.com/in/kevinriddellcclp>

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