ArentFox Schiff LLP
Attorneys

Zak Hijazi

INTERNATIONAL TRADE AND TARIFF ANALYST

Zak provides guidance to international clients on navigating complex tariff regulations.



Practices

International Trade & Investment
— Customs & Import Compliance

Languages

Urdu
Hindi

Education

Rutgers University, BS, 2017
New York University, Advanced Valuation Certificate

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Zak advises clients on a variety of US customs valuation compliance issues, including post-importation value adjustments, global trade data analytics, restricted party screening/sanctions compliance, value reconciliation, and process improvement. He also has extensive experience in strategic finance and business transformation and excels at financial modeling and litigation support. Zak is adept at transaction advisory, having successfully navigated complex financial deals and safeguarded investments.

Before joining ArentFox Schiff, Zak served as a transformation lead and independent consultant at a leading global accounting and business advisory firm. There, he advised on strategic partnerships and process improvements across various industries, designing analytical models and presenting innovative solutions to enhance financial processes and supply chain visibility. Zak built his foundational background at a prominent international professional services firm, where he honed his skills in global strategic trade and strategy consulting. He played a crucial role in commercial due diligence, supply chain transformation, and valuation analysis, delivering significant financial benefits to clients, including securing a $2 million refund for a US entity by reviewing the costs of manufacturing for its factories in Mexico.

Zak Hijazi is not a member of the legal practice.

Client Work

Zak's experience includes:

Import & Export M&A Due Diligence

- Reviewed a startup's $7-million deal by challenging the acquiree on $ 1.2 million tax liability.
- Modeled out financial risks to the investment team by providing potential trade restrictions and penalties with the US government, ultimately resulting in a significant loss of revenue for the business.

Complex Prior Disclosures

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Advised on an internal compliance review for a large pharmaceutical client with various customs valuation errors from not including standard cost adjustments, not applying transfer pricing uplifts, not including certain royalties paid to third parties, and not including certain intercompany payments and Cost Sharing Agreements. To identify and disclose these errors, a transactional review of the supply chain was completed by examining the intercompany invoices and intercompany payments for consistency.

- Reviewed and identified customs errors in classification, valuation, and other incorrect information associated with the filing of import entries for a tool supplier. Identified discrepancies in value entered, significant HTS classification changes, and various line item-related errors.
  - Reported netted discrepancies totaled ~$216,000.

- Advocated on behalf of importers in disputes on prior disclosure submissions. Crafted analyses and responses in the importer's favor.

Restricted Party Screening / Sanctions Compliance

- Co-led project management for a technology company with high net value export transactions. Reviewed various transacting business partners and identified business partners subject to sanctions. Utilized various strategies for the company to remain compliant and record revenue for non-sanctioned business partners:
  - Reviewed various business partners against the Dow Jones Risk & Compliance database.
  - Traced entities that were greater than 50% owned by sanctioned parties.
  - Identified entities that were engaged in proliferation activities.
  - Provided process improvements in sanction data transparency, daily completed transactions, and blocked transactions.

Post-Import Value Adjustments

- Assessed post-import value adjustment for a large fashion retailer with constantly changing end products. Calculated value adjustments by keeping a running list of related manufacturers and product HTS codes. Identified entries subject to an increase in post-import value by aligning related manufacturers and retail HTS codes. Afterwards, updated over 700K lines of cross-border data subject to value, duty, and fee changes.

Import Function Assessments

- Assessed a sensor technology company's import functions to be approved into the Importer Self-Assessment (ISA) program. Thus, allowing the company the benefit of self-filing and various other benefits of being an ISA member.

Provisional Tariff Impact Modeling

- Created import models that identified imports subject to Section 301 & 232 tariffs and computed the increased costs.
- Prepared change manufacturing scenarios for companies looking to change the country of origin. Advised companies with a cost-benefit approach to determine savings from provisional tariffs and the use of free trade agreements (FTAs).

FTZ Feasibility & Cost Savings Analysis'

- Identified cost savings benefits for utilizing a foreign trade zone (FTZ) to manage importations, file drawback claims, and strategically manage the supply chain for a fashion accessories and design company.

Substitution Duty Drawback Feasibility Analysis'

- Reviewed the import and export data for a consumer goods company and identified a potential $1 million in savings for a duty drawback claim. To identify this savings opportunity:
  - Matched imported and exported products that had an HTS classification meeting drawback claim requirements.
  - Exported line value, fee, and duty data for a 5-year period.
  - Designed a drawback model to consider various rules to calculate the claim, like imports and exports not being matched for preferred countries, entries where an FTA (Free-Trade-

Agreement) was claimed, and other factors.

Litigation Projections & Reviews

- Single-handedly reviewed complex valuation litigation schedules to corroborate legal decisions.
  - Spearheaded the recovery of more than $11 million dollars from an importer that had recorded non-dutiable royalty as part of import value both at the time of entry and in CBP's reconciliation protocol.
  - Challenged and repeatedly corroborated a legal decision on the first sale value of imported articles by preparing various schedules outlining the recovery from reduced duty bills in line with the litigation. Prepared a litigation projection model so that the CFO of the importing entity can properly record, and report litigation recovery of duty paid at the time of import. The estimated recovery for this litigation amounted to more than $30 million.

AD/CVD Impact Assessments

- Crafted an AD/CVD impact assessment for an importer of crystalline silicon photovoltaic (CSPV) cells and modules from Singapore. After the importer was adversely impacted by CBP's determination that the country of origin of CSPV cells was from China instead of Singapore, the importer was stuck with various provisional and AD/CVD tariffs. The importer heavily relied on analytical expertise to determine the various dutiable elements impacting imported CSPV articles. An impact assessment was formulated to determine the best legal strategy to justify the origin as Singapore against strikingly high AD/CVD, Section 301 and Section 201 tariffs when the origin was adversely changed to China. In this case the importer had mitigated the risk of excess duty liability and interest amounting to half a billion dollars because of the definitive impact assessment prepared.

Customs Bond Collateral Recovery

- Reviewed a company's bond collateral to determine the effective period for collateral release. In many cases, bonds can stack on an importer if CBP's estimated bond calculation determines that the bond amount issued should be greater than the previously issued bond.
- Challenged and successfully advocated on behalf of an importer to show that the importing entity had been overcollateralized. The surety that had issued the bond then had agreed to release $2.8 million of the excess collateral.

Global Trade Analytics & Visibility

- Prepared various analytical tools to drive executive leadership decisions. Analytical tools designed would provide insight into underutilized FTA's, FTZ opportunities, duty spend categories and areas to further review risk per UFLPA guidance.
- Analytical tools prepared have also assisted importers in assessing the import function in case of a merger and/or acquisition. If two importing entities were merged, tools were designed to show spend categories and cost savings synergies for the combined entity.

Life Beyond the Law

Outside of work, Zak enjoys outdoor activities like white water rafting and reading at his local public library.