Foreign Trade Zone (FTZ) Summary:

A Foreign-Trade Zone (FTZ) is a secure, access-restricted, Customs & Border Protection privileged area in or near a U.S. port of entry where merchandise both foreign and domestic may be admitted, stored, exhibited, manipulated, temporarily removed, manufactured, or destroyed duty-free! Duties, certain user fees and taxes are only assessed on products that are transferred out of the FTZ and entered into the United States for consumption. Products that are transferred out of the FTZ and exported abroad are exempt from any duty, user fees or taxes.

FTZ Benefits:

1. **Duty Deferral** – Duties are only paid when imported merchandise is entered into the U.S. Customs territory.

2. **Duty Elimination** – There are no duties paid on merchandise that is exported from a FTZ, transferred to another zone or destroyed. This eliminates the need to manage costly and time-consuming Duty Drawback programs.

3. **Weekly Entry** – Customs allow for a weekly entry processing, which benefits importers because the Merchandise Processing Fees are capped at $485 on a weekly basis, versus per shipment basis.

4. **HMF Deferral** – Harbor Maintenance Fee is paid quarterly and in a single payment.

5. **Enhanced Security** – By using a FTZ, the “internal controls” requirements of section 404 of the Sarbanes-Oxley Act are met. Participants in the Customs Trade Partnership Against Terrorism (C-TPAT) program are eligible for additional benefits provided by Customs.
6. **Expedited Logistics** – relocating Customs House Brokers (CHB) services to your facility and expedites the delivery to your facility without customs clearance. Potential savings is up to two days.

7. **Ease of Paperwork** – through automation of the FTZ, the paperwork submitted for receiving and the weekly entry program is greatly diminished with all parties and the processes for approval are expedited dramatically.

8. **Manipulation** – all manipulations are authorized and completed without physical Customs supervision. Goods are allowed to enter an FTZ and have the following manipulations: clean, repair, fix, improve in value, amend, exhibit, pick & pack, and many other functions.