



Foreign-Trade Zones & Bonded Facilities

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Summerlin NV

How can you and your clients get the most out of a Foreign-Trade Zone or other Bonded Facility?

FACILITIES & PROGRAMS

Identify Your Scope

- Temporary Importation?
- Storage prior to Entering U.S. Commerce?
- Manipulation of merchandise or packaging?
- Manufacturing?
- Ultimate Exportation?
- Breaking bulk and redelivery of cargo?

Know Your Options

Foreign-Trade Zones are frequently used for storage, testing, cleaning, processing, assembling, manufacturing, re-labeling, repackaging, displaying, exhibition and repairing of merchandise.

Bonded Warehouses are generally used for the storage of imported merchandise entered for warehousing, placed in General Order, or for the manipulation of merchandise in-bond.

Temporary Import Bonds allow articles (not expected to be sold or consumed) to be entered into the United States on a temporary basis.

Container Freight Stations are designated facilities for the loading, consolidating, or devanning of containerized cargo.

Understand the Differences

- Time Limits
- Entry Filing & Duty Payment
- Permissible Merchandise
- Activities Allowed
- State & Local Inventory Tax

...And these are only a few of them!

Foreign-Trade Zones

Time Limits

Unlimited

Entry & Duty

Entry & Duty payment are only filed on cargo entering the commerce of the United States upon exiting the zone.

Merchandise

Foreign & Domestic Merchandise

Activities

Assembly, Testing, Sampling, Re-Labeling, Re-packaging, Mixing, Destruction, Manipulation, Cleaning, Storing, Exhibition, & Manufacturing*.

Inventory Tax

Foreign merchandise as well as Domestic merchandise for export is not usually subject to State or Local tax.

Bonded Warehouses

Time Limits

Storage may not exceed 5 years.

Entry & Duty

Entry must be filed to place goods into the warehouse; however Duty and MPF are not paid until the warehouse withdrawal.

Merchandise

Only foreign merchandise may be placed in a bonded warehouse.

Activities

Assembly, Sampling, Re-labeling, Re-marking, Manipulation, & Storing. Also Sorting, Cleaning & Repacking may be permitted under approval. Manufacturing is prohibited except for export.

Inventory Tax

State & Local inventory tax is applicable.

Temporary Import Bonds

Time Limits

Must be exported within 1 year from date of importation, with up to 2 additional 1-year extensions.

Entry & Duty

Entry is filed at time of importation of merchandise, and cargo enters the U.S. free of duty on a temporary basis.

Merchandise

Foreign Merchandise may be imported under a TIB.

Activities

Repair, Alteration, and Processing. Merchandise under a TIB may not be sold in the U.S.

Inventory Tax

State & Local inventory tax is applicable.

Container Freight Stations

Time Limits

Entry must be made within the regulatory time frame or cargo will be placed in General Order.

Entry & Duty

Entry must be filed to remove merchandise from the CFS in order to enter the commerce of the U.S.. All duty and applicable fees are paid at time of entry.

Merchandise

Foreign and Domestic Merchandise may be in a CFS for loading and/or unloading.

Activities

Receiving, loading, and/or devanning of containers. CBP will also allow merchandise to be marked in the CFS.

Inventory Tax

State & Local inventory tax is applicable.



Okay...
Now What?

Comparison Summary

DESCRIPTION	FTZ	BONDED WHSE	TIB	CFS
Time Limits	Unlimited	5 Years	1 Year (+2)	General Order
Entry & Duty	Exiting FTZ*	Placement & Withdrawal	Importation	Importation
Merchandise	Foreign & Domestic	Foreign	Foreign	Foreign & Domestic
Activities	Manufacturing 😊	Manufacturing 😞	Cannot be sold in the U.S.	Consolidation & Devanning
Inventory Tax	No (Well... with exception)	Yes	Yes	Yes

* Only on product entering Commerce of U.S.

Target the Best Option



- Customer's Situation
- Strategic Goals
- Location, Location, Location
- Timing to get everything in place



Save the Day...
Again

