

The FTZ program is essential to a level playing field for investors through financial incentives to manufacturers and distributors. Final products exported from FTZ #64 are not subject to U.S. Custom duties, and imports pay deferred entry fees.

# **BENEFITS INCLUDE:**

### **DUTY DEFERRAL**

- · No Customs duty on merchandise while it is in the FTZ
- · No limit to the length of time merchandise is kept in the FTZ
- · Custom duty only paid upon merchandise exiting the FTZ and entering the U.S.
- · Deferring duty frees capital in the meantime

# WEEKLY ENTRY / MPF SAVINGS

• Weekly entry allows FTZ users to file one Customs Entry and pay one Merchandise Processing Fee (MPF) per week

Example : User imports 10 shipments per week	
Non-FTZ User	FTZ User
10 shipments	10 shipments
x \$485 per shipment	\$485 MPF (one time)
\$4,850 MPF per week	\$485 MPF per week
\$4,365 per week	I <b>NGS</b> \$226,980 per year

## REDUCED CYCLE TIME

- · No delays relating to U.S. Customs clearances
- · Expedited merchandise receipt reduces inventory cycle time

## **RELIEF FROM INVERTED TARIFFS**

• Foreign components imported into the FTZ where they are manufactured into a product with a lower Customs duty rate are only subject to the lower rate

## **DUTY EXEMPTION ON EXPORTS**

· Merchandise exported from or shipped to an FTZ is not subject to Customs duty

#### **DUTY ELIMINATION ON WASTE AND SCRAP**

· Waste and scrap from FTZ production is not subject to Customs duty

# NO DUTY ON REJECTED OR DEFECTIVE PARTS

· Defective or faulty merchandise shipped to the FTZ may be returned without Customs duty

## **EXEMPTION FROM LOCAL AD VALOREM TAXES**

• There are no state or local ad valorem tangible personal property taxes for the foreign merchandise stored in an FTZ

## NO DUTY ON DOMESTIC CONTENT OR VALUE ADDED

- · The "value added" to FTZ products are not included in the dutiable value upon export
- · Final duties are only assessed on foreign components

# NO DUTY ON SALES TO THE U.S. MILITARY OR NASA

· No duty on foreign merchandise sold from an FTZ to the U.S. Military or NASA



