

What is a Foreign Trade Zone?

A Foreign-Trade Zone is a specially designated area, located in or adjacent to a U.S. Customs Port Of Entry, and is considered to be outside the Customs Territory of the U.S. There are several benefits businesses can take advantage of when using a foreign trade zone some of which include:

- No duty is paid on re-exported merchandise from a Foreign-Trade Zone
- If the merchandise is sold domestically, no duty is paid until it leaves the zone or zones
- Generally, no duty is paid on waste or yield loss in a Foreign-Trade Zone or Subzone
- Duty on scrap is eliminated or reduced in a Foreign-Trade Zone
- Generally, if foreign merchandise is manufactured within a Foreign-Trade Zone or Subzone into a product with a lower duty rate, then the lower duty rate applies on the foreign content when duty is paid
- Merchandise in a Foreign-Trade Zone may be stored, repackaged, manipulated, manufactured, destroyed or otherwise altered or changed
- And many more...