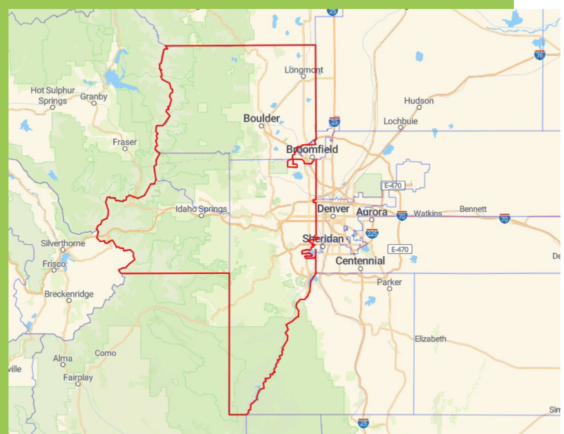
DENVER WEST FTZ NO. 298

Are you seeking ways to better manage your global supply chain costs? More and more companies are utilizing Foreign Trade Zones (FTZ) to give them a competitive edge.

SAVE TIME, MONEY, AND

COMPETE GLOBALLY



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What is a Foreign Trade Zone?

A Foreign-Trade Zone (FTZ) is a designated secure area considered outside the U.S. Customs Territory. Goods received into an FTZ are generally not subject to duties or tariffs until, and if, they enter U.S. commerce for consumption.

Who can benefit from an FTZ?

MOST
MANUFACTURERS

WAREHOUSE/
DISTRIBUTION CENTERS

THIRD-PARTY
LOGISTICS SERVICE PROVIDERS

02

Application Requirements

- Application fee and Annual Fee payable to Jeffco EDC per current Zone schedule.
- Approval by Port Director for activation.
- For complete list of requirements email Jeffco EDC using the information below.

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Advantages

- Duty Defferal
- Duty Exemption
- Duty Reduction
- Duty Elimination
- Weekly Entry Savings
- Direct Delivery
- Property Tax Reduction
- For advantage descriptions, visit website below.

WEBSITE : Jeffcoedc.org | EMAIL : ftz@jeffcoedc.org | PHONE: 303.202.2965

UNDERSTANDING THE

ALTERNATIVE FRAMEWORK

The U.S. Foreign-Trade Zones Board adopted the alternative site framework (ASF) (15 CFR Sec. 400.2(c)) as an option for the establishment or reorganization of zones. In general, ASF offers simpler and less expensive applications, and shorter approval times, but only within an approved service area.

The federally approved ASF Service Area of Foreign-Trade Zone No. 298 includes Jefferson, Clear Creek, Gilpin, and Boulder Counties in the State of Colorado. Applications which are not eligible for processing under the ASF must use traditional site framework (TSF).

KNOW THE

ADVANTAGES

DUTY EXEMPTION

No duties or quota charges on re-exports (exception applies for exports to Canada and Mexico under NAFTA). By using a Foreign-Trade Zone, the company avoids the lengthy Customs duty drawback process. No duty is paid on goods destroyed in the zone, which can benefit a company with fragile imports or with manufacturing processes that result in large amounts of scrap.

DUTY DEFFERAL

Customs duties and federal excise tax deferred on imports until they leave the zone and enter the U.S. Customs territory. (Zone merchandise may move in-bond, Zone-to-Zone transfers without payment of duty.) Unlike bonded warehouses or temporary importing under bond programs, there is no limit on the length of time that merchandise may remain within the Zone, whether or not duty is owed.

DUTY REDUCTION

Where zone manufacturing results in a finished product that has a lower U.S. Harmonized Tariff rate than the rates on foreign inputs, the finished product may be entered into the U.S. Customs territory at the duty rate that applies to its finished condition. Moreover, duty is not owed on labor, overhead or profit attributable to zone production operations.

QUOTA AVOIDANCE

In most instances, imports subject to quota may be retained within a Foreign-Trade Zone once a quota has been reached allowing zone users access to potentially discounted inputs and the ability to admit merchandise as soon as a new quota year starts. Additionally, except for certain textiles, inputs subject to quota may be manipulated or manufactured while in the zone into a product not subject to a quota.

MERCHANDISE PROCESSING FEE (MPF) REDUCTION

MPF is only paid on goods entering the U.S. Customs territory. Zone users are able to file a single entry for all goods shipped from a zone in a consecutive seven-day period instead of one entry file for each shipment (excluding merchandise subject to live entry). Fewer entry filings can also reduce Brokerage fees.

STREAMLINED LOGISTICS

Upon approval from Customs, imports may be directly delivered to the zone. Users may also request permission to break and affix Customs seals. A single entry may be filed for seven consecutive days' worth of entries and exports.