

# What is a Foreign Trade Zone?

A Foreign Trade Zone (FTZ) is a secured geographical area in the United States in or near a U.S. Customs Port of Entry. Within an FTZ, foreign and domestic merchandise is generally considered to be in international commerce and outside of U.S. customs territory.

## There are two types of FTZ sites:

- General Purpose Zones operate as public utilities, providing a variety of services to multiple zone users. They are usually located at ports or industrial parks.
- → Subzones/Usage-driven sites are single-use facilities approved for a specific company or use.



### Foreign Trade Zone 49

The Port Authority of New York and New Jersey serves as the Grantee of Foreign Trade Zone 49, handling administration and management of the zone and serving as the middleman between the operator and the Foreign Trade Zone Board.

#### Benefits offered through FTZ 49:

- → Duty Exemption on re-exports If an imported good is exported from the FTZ, no Customs duty is due.
- Duty Deferral on imports until they leave the zone and enter U.S. Customs territory.
- Duty Reduction on the products entering U.S. Customs territory at the duty rate that applies to its finished condition.
- Merchandise Processing Fee (MPF) Reduction for zone users that can file a single entry for all goods shipped from a zone in a consecutive seven-day period.
- → Streamlined Logistics for users presenting the opportunity for imports to be delivered directly to the zone as well as requested permission to break and affix Customs seals.

- → Alternative Site Framework (ASF)
  provides participating zones the
  flexibility to use a simpler, faster
  Minor Boundary Modification
  (MBM) procedure to designate
  locations where companies are
  ready to use an FTZ.
- → Quota Avoidance granting zone users access to potentially discounted inputs and the ability to admit merchandise as soon as a new quota year begins.
- → **Streamlined** application process.



#### FTZ 49 User **Classifications** include:

- → General Purpose Zones
- → Sub-Zones
- → Usage-driven Sites

#### Two primary activities are carried out in FTZ 49:

- → Production and manufacturing. Activity involving foreign merchandise or activity involving a change in the condition of the article which results in a change in the customs classification of the article or in its eligibility for entry for consumption. The activity must be authorized by the FTZ Board.
- → Warehousing and manufacturing. Goods within an FTZ may be landed, stored, handled, manufactured or reconfigured, and re-exported under specific customs regulation and are generally not subject to customs duty.
- → Retail trade is prohibited in FTZs.





#### **APPLY TODAY**

For more information and assistance visit: www.panynj.gov/port/ftz-49.html