Foreign Trade Division

What is a Foreign Trade Zone and How Can It Help You?

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Today's Speakers

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The U.S. Census Bureau measures the nation's People, Places, and our Economy

www.census.gov

#foreigntrade

Fundamentals of Exporting

Created by the Foreign Trade Division of the U.S. Census Bureau, this in-depth webinar series provides the tools necessary for a strong foundation in the fundamentals of exporting.

What is a Foreign Trade Zone and How Can It Help You?

The last webinar in the 8-part series

http://www.census.gov/newsroom/releases/archives/news_conferences/webinars_exporting.html

Foreign Trade Division

The **Foreign Trade Division** is the *official* source for U.S. export and import statistics and is responsible for issuing regulations governing the reporting of all export shipments from the United States.

Today's Topics

- What is a Foreign Trade Zone?
- Types of Foreign Trade Zones
- FTZ Filing Requirements
- FTZ Benefits
- Best Practices
- Resources

What is a Foreign Trade Zone?

- A restricted access site, in or adjacent to a Customs port of entry, but legally defined as outside the Customs Territory of the United States.

- Operated by the public or private corporation, as authorized by the Foreign Trade Zone Board, and under supervision of U.S. Customs and Border Protection.

What is a Foreign Trade Zone?

- Foreign and Domestic Merchandise may be admitted into zones
- Merchandise within a zone may be used for storage, assembly for exhibits, manufacture and processing.
- Merchandise may be stored into a zone for an unlimited amount of time.

Aerial View of a FTZ

Types of FTZ's

General Purpose Zone

Established for multiple activities

Established for multiple users

Most commonly located at ports or Industrial parks

Used by small to medium sized businesses for warehousing, distribution, processing or assembly

Examples: Electronics, Machine Parts Retail items

Types of FTZ's

Subzone

Subzones sponsored by General Purpose Zones

Typically involve a single company

Used for more extensive manufacturing/processing that cannot be accomplished in a General purpose zone

Example: An Automobile Plant

Statistical Filing Requirements

- Foreign Trade Zone Admissions
  - CBP paper equivalent forms 214 and 214A
  - CBP Electronic 214 Program (E-214)
- Foreign Trade Zones admissions refers to the physical arrival of goods into a zone
  - The correct term to use is admission vs. entry
  - Avoids confusion under parts 141-144 CBP Code of Federal Regulations
- Mandatory Filing of E-214 in the works

Statistical Filing Requirements

- **Merchandise withdrawn from a FTZ and enters U.S. Consumption must be filed:**
  - **Automated Broker Interface (ABI) or**
  - **CBP Paper Form 7501**

- **Tracks flow of goods into the U.S.**

Statistical Filing Requirements

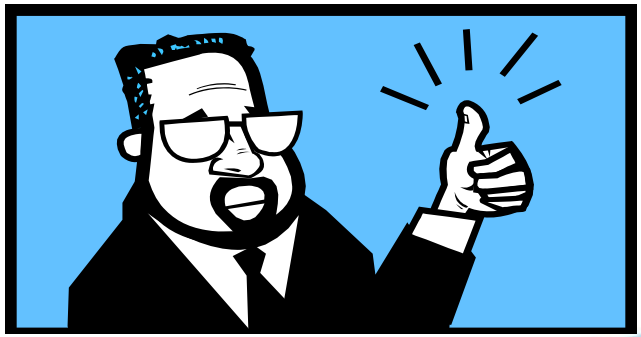
- FTZ Exports refers to merchandise exiting the FTZ for shipments to other countries and Puerto Rico and Virgin Islands
- Foreign Trade Zone Exports
  - Automated Export System (AES)
  - AESDirect (Free Internet Application)
- Electronic mediums ensure quality and timely reporting to the Census Bureau monthly published trade statistics

Advantages of FTZ's

- Foreign and domestic merchandise may be admitted
- Merchandise can be stored, assembled, manufactured and processed
- Helps create employment opportunities
- Not subject to duties and tariffs, unless and until the foreign merchandise enters Customs territory for U.S. consumption
- Helps facilitate and expedite international trade

FTZ Benefits for Electronic Filing (E-214)

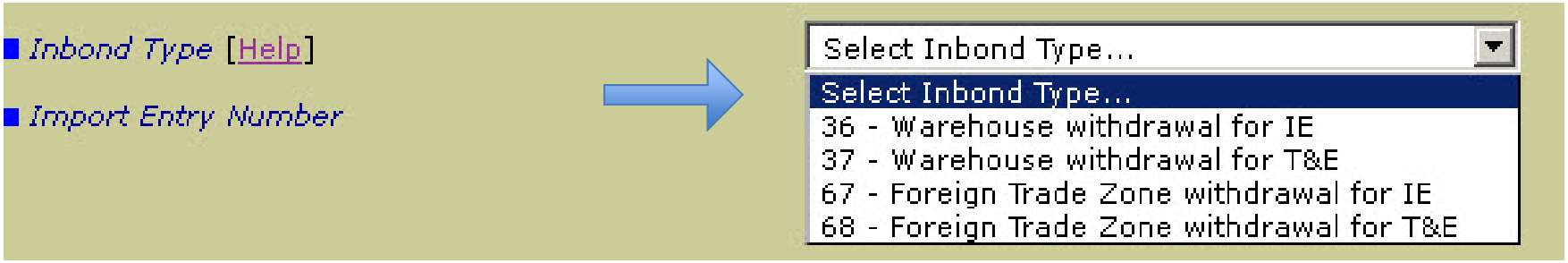
- Provides paperless transmission
- Provides edits and validates data
- Provides cost efficiencies

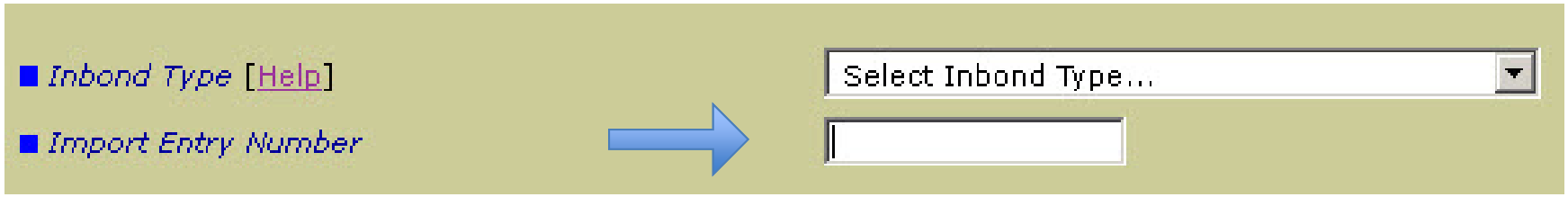


What is an Inbond Code?

An inbond code is a two digit number identifying the inbond movement of merchandise. It does not include spaces, hyphens, slashes or other special characters

Inbond Types





Inbond Type Claims

If the inbond type 67 or 68 is selected the FTZ Identifier **MUST** be reported.

- Type 67 = Foreign Trade Zone withdrawal for IE (Immediate Exportation)
- Type 68 = Foreign Trade Zone withdrawal for T&E (Transportation & Exportation)

FTZ Identifier Field

Each Foreign Trade Zone (FTZ) has its own personal identification number or FTZ I.D. The key aspects of it's makeup are:

- It's 5 digits long
- The first 3 digits are the numeric (zone identifier)
- The last 2 alpha numeric (subzone identifier)

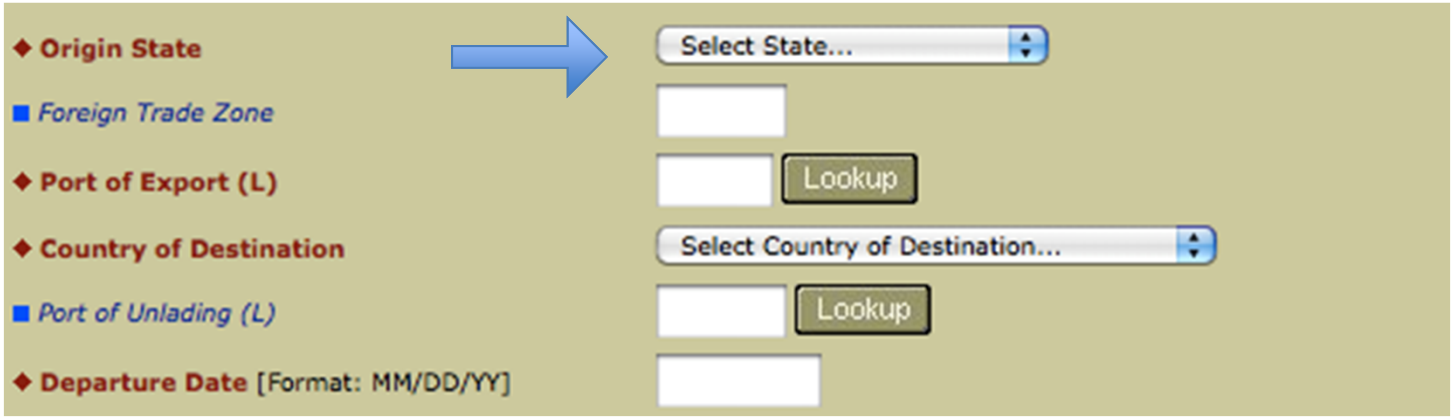
Example:

- Zone 167, without a sub zone = FTZ 16700
- Zone 20, with a sub zone H = FTZ 0200H

Completing the EEI in AESDirect

When filling out the Electronic Export Information (EEI), the appropriate FTZ identifier code should be entered.

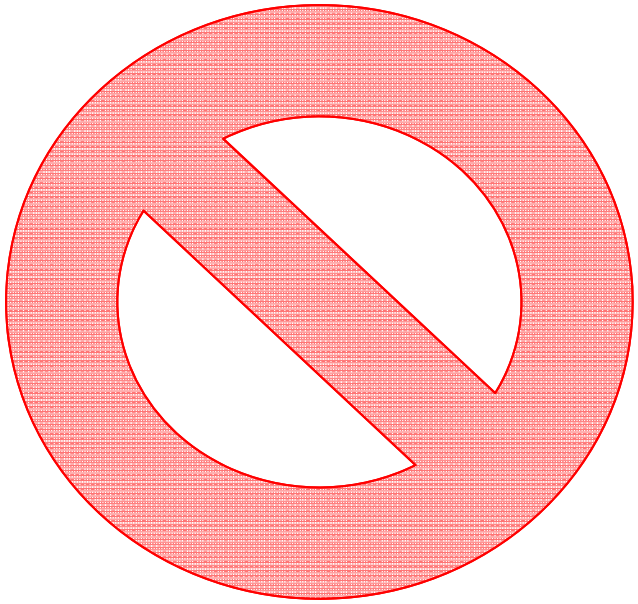
It is conditional field, but can become a required If certain inbond types are selected.



Field in AES*Direct*

Common Reporting Errors

- Reporting a non FTZ identifier
  - State code or Names of Cities
  - Zip code or Port Code
  - Dollar value
  - Country Code
  - UNKN
- **Reporting an inbond code** without the correct FTZ identifier
- Reporting an incorrectly formatted FTZ identifier
  - 000165B0
  - 65 H00



Implement Best Practices

- Document the processes – create Standard Operating Procedures or Manuals that are clear and concise
- Participate in refresher training sessions, conferences, and webinars at least twice a year. Conduct cross training among the staff
- Establish clear communications with Staff, Customs Officers, Freight Forwarders, Other Government Agencies and Trade Associations
- Results in reducing and eliminating risks and increase compliance

Implement Best Practices

- Retain records for at least 5 years
- Ready access to files
- Be prepared to respond to request from government employees ie., U.S. Customs and Border Protection and U.S. Census Bureau
- Notify participating government agencies of staff changes so contact information is updated
- Keep freight forwarders informed and provide accurate information
- Ensure filing accuracy

References

- **AESDirect - http://www.aesdirect.gov/**
  - Support Center
  - AESDirect / AESPcLink Userguides
- **NAFTZ – http://naftz.org/**
  - Spring/Fall NAFTZ Conferences
  - Annual Regulatory Meeting
  - Webinars
- **Customs and Border Protection– www.cbp.gov**
  - Regulatory Requirements
- **Foreign Trade Zone Video**
  http://www.youtube.com/watch?v=mIYoM0i7nok

2012 FTD Customer Service Survey

Available until October 31, 2012

INSPIRE ACTION

Take the 2012 FTD Customer Service Survey!

REGULATIONS OUTREACH AND EDUCATION BRANCH

AESDirect Helpdesk

Commodity Analysis Branch

Automated Export System Branch

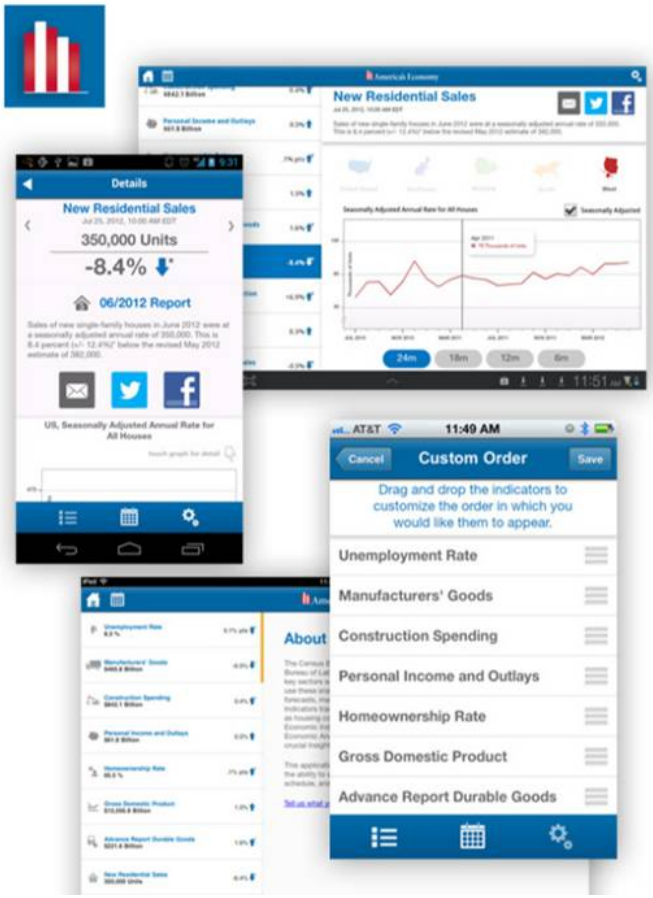
Use this link: http://questionweb.com/82758

Additional Training Tools

- Export training videos
  http://www.census.gov/foreign-trade/aes/exporttraining/videos/index.html
- Global Reach Blog
  http://globalreach.blogs.census.gov

America's Economy Mobile App

- www.census.gov/mobile
- 16 Key Economic Indicators, including International Trade
- Available for iPhone, iPad and Android devices



For More Information

- **Media Inquiries:**
  - Public Information Office: 301-763-3030
- **For Foreign Trade Zone Questions, call**
  Data Collection Coordination Branch: 301-763-2259
- **FTD Call Center: 800-549-0595**
  - Option 1 – AES Assistance
  - Option 2 – Commodity Classification Assistance
  - Option 3 – Regulations Assistance
  - Option 4 – Data Dissemination Branch
- **Fax: 301-763-8835**

Questions?