

# Foreign Trade Zone (FTZ)

U.S. Customs-Bonded Warehouse  
Oakland Foreign Trade Zone #56



- A foreign trade zone (FTZ) is a location in the United States legally considered to be outside U.S. Customs Territory.
- Goods may be brought into an FTZ without formal customs entry or paying duty charges.
- Inside an FTZ, merchandise may be stored, processed, assembled, repackaged, displayed, mixed, repaired, destroyed, manufactured, relabeled, and re-exported.
- PACAM's duty-free, in-bond services for import/export products are unparalleled in California.



# 10 Ways Your Company Can Benefit From Using PACAM Foreign-Trade Zone Services

- Imports may be admitted and held in a FTZ without paying U.S. Customs duties
- FTZ users can pay the duty rate on component material or merchandise produced from component material, whichever is lower.
- Customs duties are never paid on merchandise exported from a zone.
- Duties are reduced or eliminated on materials subject to defect, damage, obsolescence, waste or scrap.
- Merchandise may be exported and returned to an FTZ without duty payment.



# 10 Ways Your Company Can Benefit From Using PACAM Foreign-Trade Zone Services

- Spare parts may be stored, returned, or destroyed without duty payment.
- Delays in Customs clearances and duty drawback are eliminated.
- Duties are not owned on labor, overhead, or profit attributed to FTZ production operations.
- Quality control inspections can identify sub-standard goods to be destroyed or returned without duty payment.
- No duty is owned on in-bond, zone-to-zone transfer of FTZ merchandise.



# FTZ Summary Benefits

- Improved Cash Flow
- Lower Inventory Costs
- Distribution Savings
- Tax Incentives
- Defer, Reduce and/or Eliminate U.S. Customs Duties
- Streamlined Import/Export procedures expedite the movement of cargo and support just-in-time inventory programs.