

CBP Announces FTZ Test Easing Procedures for Certain FTZ Activities

June 12, 2013

In brief

On June 7, 2013, U.S. Customs and Border Protection (“CBP”) announced a plan to conduct a Test easing certain foreign-trade zone (“FTZ”) provisions.

In detail

Specifically, as a result of collaborative and lengthy discussions with FTZ users/operators and the National Association of Foreign-Trade Zones (“NAFTZ”), CBP will for Test participants (a) suspend the requirement for filing the Annual Blanket CBP Form (“CBPF”) 216 for Manipulation, Manufacture, and Exhibition, and (b) extend from 5 days to 90 days the time period that merchandise can remain in an activated zone area after customs entry. For FTZ users/operators that volunteer to participate in the Test, the easing of these requirements should assist in streamlining FTZ activities and enhance operational efficiency.

It should be noted that CBPF 216 will remain a requirement for Test operators for other FTZ activities including destruction, sampling and temporary removal. In addition, the extension from 5 days to 90 days to remove merchandise from the zone following the issuance of the permit is also subject to certain requirements such as segregation and that the merchandise does not undergo further manufacturing.

Test participant eligibility

Participation in the Test is voluntary and open to all FTZ operators who timely notify CBP of their interest in participating by July 8, 2013, and (1) are authorized and approved in an activated FTZ; (2) have an approved FTZ operator bond on file with CBP; and (3) can

demonstrate the ability to comply with the Test requirements. The initial phase of the Test will commence on July 17, 2013, and will run for approximately two years.

Next steps

For FTZ users/operators interested in participating, it is important to note that key FTZ process and systems changes would need to be implemented in order to take advantage of the operational efficiencies afforded by the Test. In addition, PwC's Customs and International Trade Practice as an active member of NAFTZ is working with the association in addressing with CBP certain technical issues and clarifications concerning the Test.

Let's talk

For more information about any of the issues discussed in this Newsalert, please contact Domenick Gambardella, or your local contact in PwC's Customs and International Trade Practice. Please see the complete list of contact details below.

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