

Navigating the Intersection between FTZs and 301

Lesley Couch, Principal & Owner

- What about FTZs and Trade wars?
- List 4a (15%) went into effect on 9/1/2019
- List 4a dropping to 7.5% effective 2/14/2020
- Good grief, I have an FTZ! So what do I have to pay?



- FTZs with inventory on hand 8/31/2019 could lock in with PF status PRIOR to the tariff going into effect
 - Status Change 214 for each HTS before 9/1/2019
 - Even though withdrawn from the zone after 9/1/2019, the entry summary reflects the HTS and duty rate at the time of PF acceptance by CBP without the Chapter 99

45	FTWR,OTHER,MEN,NOT W/PIGSK
OCN	6403.99.6075
	CNMID123BBC
P	8/31/2019
	Merchandise Processing Fee



- Admissions 9/1 and after must be admitted in PF status with Chapter 99
- When shipped from the FTZ and entered into US commerce, the Chapter 99 *duty rate is applied at time of entry summary* regardless of PF date
- Entry summary date between 9/1/2019 and 2/13/2020: Duty = 15%
- Entry summary date after 2/13/2020: Duty = 7.5%

54	FTWR,WOMEN,OTH,OVER \$2.50/ 99038815
OCN	6403.99.9065 CNMID123BBC
ECN	P 09/08/2019 Merchandise Processing Fee

- **Delay those shipments out of your FTZ until 2/14!**
- FTZs will pay the Chapter 99 duty rate in effect at the time of entry from the FTZ into the US commerce
- The PF status locks in the 9903.88.15, but the duty rate of 15% will be deleted and replaced with 7.5%
- Check with your FTZ software provider to be sure that the FTZ savings report reflects this savings on inventory received after 9/1 but shipped after 2/14



Lesley Couch
Principal

Lesley's 25 years experience in Foreign-Trade Zone includes daily administration of FTZ's, 5 years serving as Product and Implementation Manager for one of the leading FTZ software providers before managing FTZ Focused Consulting firms since 2008. She began at one of the world's largest trade compliance advisory law firms and launched Indigo Trade Solutions in March 2014.



Shana Head
Director, FTZ Managed Services

Shana has been in administration and management of zone operations since 2005. Her experience has exposed her to several industry sectors including distribution of home furnishings and medical devices, as well as manufacturing of nutritional products. She now leads Indigo's growing team of FTZ Specialists with an eye that never veers from Customer Service.



Jeremiah Pomerleau
Director, Supply Chain & Trade

Jeremiah often says, "**Logistics & Trade Never Sleep**", and he fully embraces it which is why he recently joined Indigo Trade Solutions as Director, Supply Chain & Trade. Transitioning to consulting after 19 years in industry, he offers deep international experience leading supply chain, logistics and trade functions for global shippers ranging from startups to multi-nationals.



Customs & Trade WORKING GROUP MEETING



WRAP-UP & ADJOURNMENT

