



Foreign-Trade Zone Services

Trade and Customs Services

Today, more than ever, companies that conduct distribution and/or manufacturing in the United States are setting up Foreign-Trade Zones (FTZs). This helps reduce the landed cost of imported products, components, and materials; facilitate inventory management; streamline the supply chain; and level the competitive global landscape. Making a sound investment in trade technology and processes to meet changing regulatory requirements is integral to the efficient and compliant operation of an FTZ.

U.S. companies seek ways to maintain and increase market share as supply chains expand to include global suppliers and customers in other countries. FTZs may potentially increase the competitiveness of U.S. companies by deferring, reducing, or eliminating customs duties and fees on imported finished products and components. FTZs may also help U.S. importers reduce the cost of maintaining inventory in the United States, while addressing the operational flexibility needed in today's global supply chains.

Identifying and implementing FTZs while complying with complex regulations, however, requires the help of experienced professionals—people who understand how other successful organizations have used FTZs to gain competitive advantages and who are at the leading edge of establishing compliant FTZs in this evolving regulatory customs landscape. Our team also takes an agnostic approach to helping our clients understand information systems relating to an FTZ to help with any required implementation.



KPMG can help

KPMG LLP (KPMG) Trade and Customs Services professionals have assisted many clients from diverse industry segments in developing and implementing effective strategies. Our Trade and Customs Services team comprises experienced professionals with the National Association of FTZs' designation of Accredited Zone Specialist; licensed customs brokers; former FTZ operators and administrators; and trade technology professionals in the Inventory Control and Recordkeeping Systems (ICRS). By collaborating with clients with integrated supply chains on using FTZs with diverse needs, KPMG's team members possess extensive experience meeting regulatory requirements while executing efficient and sustainable guidance. Through our hands-on approach, we are dedicated to working side-by-side with importers to deliver bottomline results through a full range of FTZ-related services. These services include:

- Administrating the daily, weekly, and periodic FTZ operational requirements via the FTZ Inventory Control and Recordkeeping System
- Analyzing the full scope of potential benefits (including opportunities with exemptions or reductions in local ad valorem taxes on personal property) in conjunction with implementation, systems and administration costs
- Conducting detailed operational readiness assessments for potential operators that focus on transitioning existing logistics, inventory control, systems, and compliance processes to the FTZ environment
- Preparing and filing applications (under both the Traditional and Alternative Site Frameworks) with the U.S. Foreign-Trade Zones Board and shepherding the application review process
- Coordinating government officials' support of applications
- Preparing and coordinating official U.S. Customs and Border Protection (CBP) "Requests for Activation"
- Navigating complexities such as meeting requirements of participating government agencies (e.g., U.S. Food and Drug Administration, U.S. Environmental Protection Agency, etc.)
- Managing compliance with First Sale for Export within a zone environment, adjusting reported values on entries through the CBP Reconciliation prototype, using Free Trade Agreements, obtaining special zone privileges such as Direct Delivery, and determining which corporate entity may most effectively serve as the operator of a Zone

KPMG Foreign-trade zones managed services at a glance

Why KPMG FTZ Managed Services?

- Experienced FTZ professionals providing the best customer experience via exceptional project management
- Continuous FTZ process improvement through commitment to quality
- Coordinated delivery through FTZ and trade data management
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- Driving and accelerating the FTZ's value through strategy and technology
- Navigating the FTZ regulatory landscape and CBP enforcement, leveraging trade controversy experience
- Transparency and insight to daily FTZ activities via a Control Tower (KPMG's Digital Gateway)

Why now?

- Companies are constantly seeking ways to reduce supply chain disruption. Now more than ever, FTZs are playing a larger role to support diversified distribution, assembly and production in the U.S.
- C-level executives are rethinking how to manage their FTZs to minimize risk and expand savings.
- KPMG's FTZ managed services serves as a lever for executives to address the shortage of skilled FTZ professionals and increased CBP FTZ regulatory complexity and enforcement.

- Helping clients to make the most of their technology investment, including navigating new requirements for automation set forth by CBP, and efficiently mapping the company's ERP/WMS to the selected ICRS
- Accompanying CBP during its security walk-through of the FTZ and working to address any security concerns CBP may have under recent updates to guidelines on security requirements
- Documenting operational processes and procedures manuals and master zone schedules
- Providing "go-live" assistance to new operators to facilitate the transition to the FTZ environment
- Conducting efficiency analyses, and process and compliance reviews for existing operations
- Assisting with long-term compliance relating to the FTZ
- Advising on FTZ Operator and carrier bonds
- Developing training on compliance for administrators, employees, and executive leadership
- Assisting with CBP, Foreign Trade Zones Board, and other participating government agency requirements that play a part in the import process

Potential service benefits

KPMG's Foreign Trade Zone Services may help clients obtain the following benefits:

- Deferral of duty until goods are shipped from distribution centers
- Direct delivery, from point of unloading to facilities, speeding CBP release
- Inventory flexibility allowing companies to reposition inventory without incurring duties in multiple countries
- Elimination of duty for re-exports and scrap of imported items, eliminating need for duty drawback program
- Duty reduction (inverted tariff) for goods transformed or manufactured in an FTZ
- Local ad valorem tax benefits (in certain states)
- Weekly-entry benefits provide savings in two key areas:
 - Merchandise processing fees can be reduced through the consolidation of CBP consumption entries to one per week (per FTZ and Importer of Record).
 - Customs Brokerage fees can be reduced with the filing of a single consumption entry per week.





Contact us

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Web sites:

- [Trade & Customs Services](#)
- [Trade & Customs Insights](#)

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