

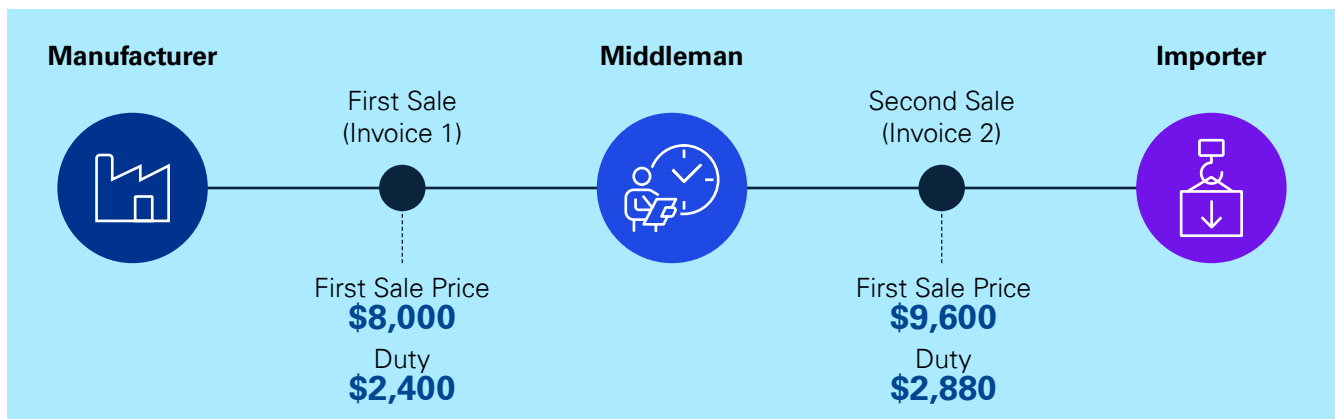


First Sale for Export: A crucial savings opportunity



First Sale for Export (First Sale) has been a duty-savings mainstay for years. But its popularity and importance has exploded given the dynamic trade landscape, especially under the current threat of high tariffs. First Sale drives continual savings with minimal investment. If your company isn't leveraging it—you may be a step behind.

First Sale is a powerful tool for importers looking to reduce their duty costs. By declaring the price paid or payable in the "first or earlier sale" in the supply chain, companies can achieve significant savings and mitigate the impact of rising tariffs. Successful First Sale application allows an importer to remove the middleman's margin and qualifying non-dutiable costs from the declared value, leading to reoccurring savings on duties, merchandise processing fees ("MPF"), and harbor maintenance fees ("HMF").



Why First Sale now?

Historically employed in industries facing high tariffs, such as apparel and footwear, First Sale has become the savings program of choice for any industry using a multi-tiered sales structure. Not only does it provide reliable and predictable savings, but assessment and management costs are typically lower too.



First Sale helps limit the impact of tariff rate increases. Regardless of whether duty increases occur because of special tariff actions, regulatory changes, trade policy changes or other reasons. First Sale can help mitigate the impact.



Duty savings are achieved without extensive supply chain restructuring or costly program/technology maintenance.



First Sale programs are scalable and new vendors can be on-boarded quickly once a program is established, allowing savings to be maximized.



First Sale creates ongoing, reoccurring cost reductions and is not a one-time recovery.



Many foreign vendors are familiar with this program and prepared to help their customers achieve perpetual savings. Executing First Sale is a differentiator among overseas suppliers.

KPMG First Sale Center of Excellence

The KPMG First Sale Center of Excellence (COE) leverages our deep industry knowledge with advanced technology to expedite innovation, increase transparency, and provide scalable solutions to help optimize duty savings for clients. Our team includes multilingual professionals, licensed customs brokers, lawyers, Certified Public Accountants, former Customs officials, and other experienced professionals to help ensure a comprehensive approach to duty management.

Vigilant Monitoring Protocols:

We continuously monitor regulatory changes and market trends to keep you informed and compliant.

Strategic Planning:

Our COE develops tailored strategies to help maximize your duty savings.

Compliance Support:

We provide ongoing support to help ensure that your First Sale implementation remains compliant with all regulations.

Regulatory updates

Recent updates from U.S. Customs and Border Protection (CBP) have clarified the application of the First Sale rule, making it easier for importers to benefit from duty savings. The KPMG COE monitors and adapts to these changes, assisting clients to remain compliant and continue to maximize their savings.

Conclusion

By leveraging the First Sale rule and partnering with the KPMG COE, your business can achieve significant duty savings and maintain a competitive edge in the market.

Contact us today to learn more about how we can help you optimize your duty management strategy.

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