

## FTZ Vs. Bonded Warehouse Comparison

	Bonded Warehouse	Foreign Trade Zone (FTZ)
<b>Formal Customs Entry</b>	A bonded warehouse is within U.S. Customs territory. Thus, Customs entry must be filed before goods enter a warehouse.	A Foreign Trade Zone is not considered within U.S. Customs territory. Thus, customs entry is filed just prior to removal of goods from the Zone and only for the amount of goods to be removed.
<b>Customs Bond</b>	Required for all warehouse entries.	No bond required! All admissions to a Zone are covered under the FTZ operator's Customs Bond.
<b>Payment of Duty</b>	Merchandise is dutiable at the rate in effect at the time of withdrawal.	Duties are due only upon entry for U.S. consumption. The rate can be that which is in effect at time of admission or withdrawal.
<b>State &amp; Local Inventory Tax</b>	Tax is levied on January 1st of each year on all merchandise.	Foreign merchandise is not taxed. Domestic merchandise to be exported is not taxed.
<b>Permitted Activity</b>	Merchandise may only be cleaned, repackaged & sorted under Customs supervision.	Merchandise may be stored, inspected, repackaged, repaired, tested, cleaned, sampled, displayed, manipulated, mixed, processed, assembled, salvaged, destroyed, or re-exported.
<b>Waste &amp; Damaged Goods</b>	Duty is owed on the entire shipment entering a bonded warehouse.	No duty is paid on waste, damaged or otherwise non-usable merchandise that is destroyed in the Zone.
<b>Goods with Documentation Labeling Defects</b>	Does not apply.	May be admitted and problems corrected.
<b>Domestic Merchandise</b>	May not be admitted.	May be admitted without Customs Permit and co-mingled with foreign merchandise.
<b>Drawback of Customs Duties or Federal Excise Tax Storage Period</b>	Not to exceed five years.	May apply to goods admitted to the Zone if approved by Customs.
<b>Storage Period</b>	Not to exceed five years.	Unlimited.