



NEW MEXICO  
INTERNATIONAL  
TRADE ALLIANCE

# Foreign Trade Zone

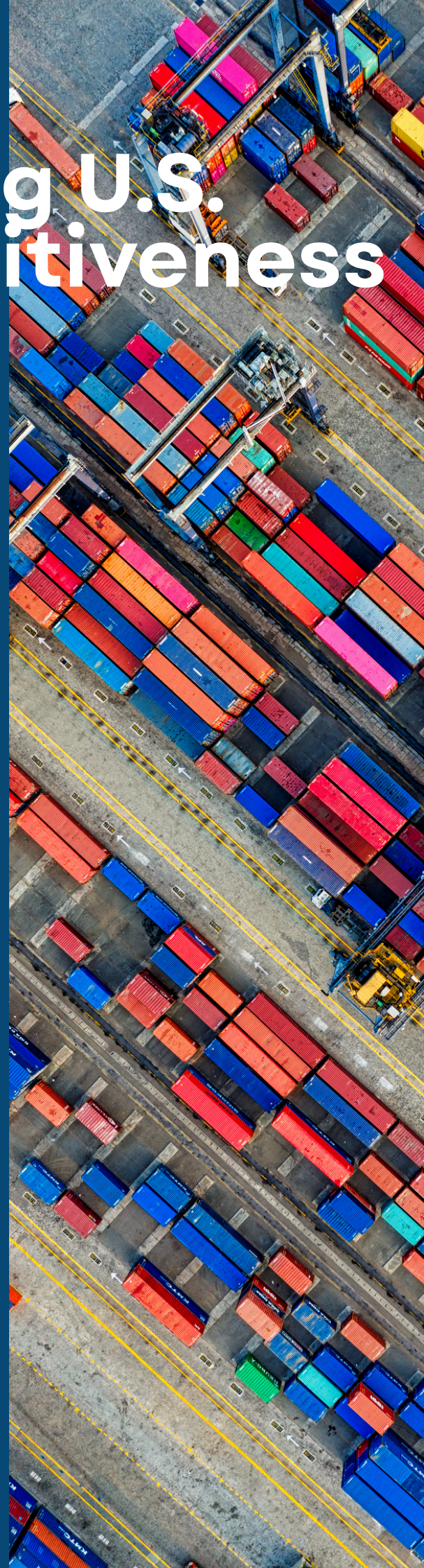
A Strategic Approach  
to Tariff Management



# Enhancing U.S. Competitiveness

Foreign Trade Zones (FTZs) are **designated areas** within the United States that are treated as **outside of U.S. Customs and Border Protection (CBP)** territory for tariff purposes.

These zones are located in or near CBP ports of entry and serve as the **U.S. equivalent of free-trade zones.**







# FTZ #110

There is one FTZ located  
in **central New Mexico,**  
**FTZ #110.**

This FTZ covers:

- Bernalillo County
- Valencia County
- City of Santa Fe
- City of Rio Rancho
- City of Bernalillo
- City of Moriarty.

Its grantee is the City of  
Albuquerque **Aviation**  
**Department**



# How <sup>it</sup> works

Tariffs are only assessed when **goods leave the FTZ** and enter the U.S. If the goods are exported outside the U.S. directly from the FTZ, no tariffs are paid at all.

Because FTZs are considered outside CBP territory, products stored or processed within them are not classified as imported, yet. This means **tariffs are not immediately due**, offering flexibility in how and when duties are paid.







# Benefits

Leveraging an FTZ can help your company:

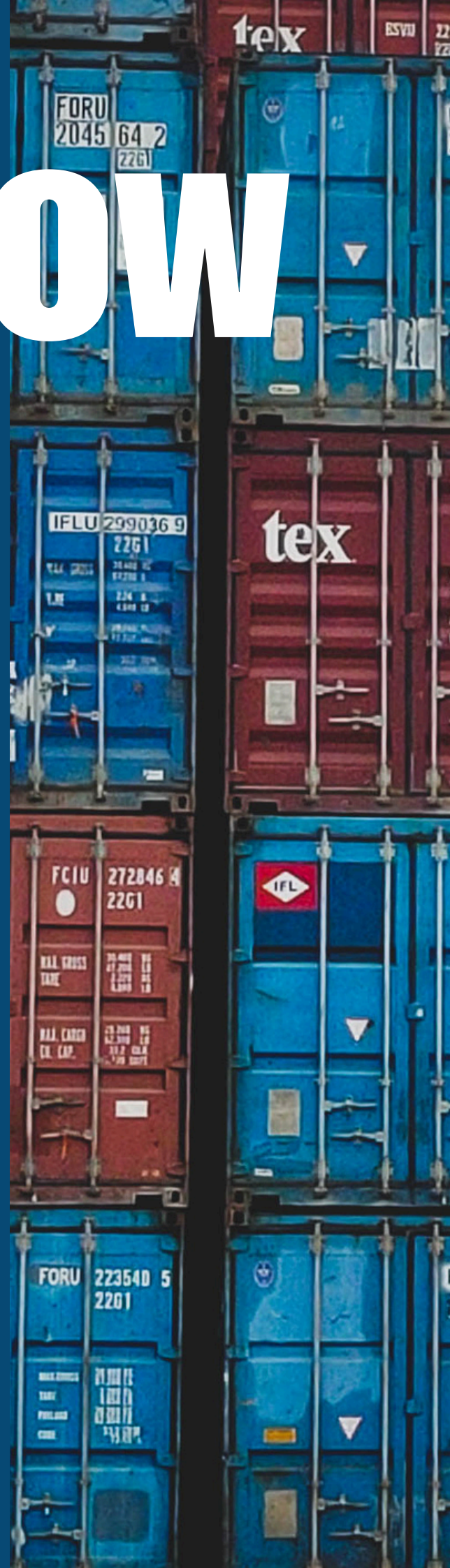
- **Optimize cash flow** by deferring or eliminating duty payments
- **Avoid duties** on waste, scrap, defects, damaged, or obsolete goods
- Choose the **lowest applicable duty rate**, either for the imported components or the final product
- **Reduce administrative burden** through weekly inventory entries.



# Cashflow

Tariffs are only **assessed when goods leave the FTZ** and enter the U.S. If the goods are exported outside the U.S. directly from the FTZ, no tariffs are paid at all.

Additionally, if your company performs manufacturing or processing within the zone and the product classification changes, you may benefit from a **reduced or even duty-free rate**, depending on the final classification.







# Permitted Activities

An FTZ can be used for:

- Storage
- Exhibition
- Assembly
- Manufacturing
- Processing

All activities within an FTZ must comply with U.S. laws and regulations and are subject to public interest review.



# FTZ Subzone

To take advantage of FTZ benefits, your company can apply for an FTZ subzone, a designated area within a larger FTZ tailored specifically to your company's operational needs.

Contact us!







# Right Move?

Depends... but here's some criteria to look at:

- If you import product and export a percentage.
- If you hold high value merchandise with high duty rates for a long period of time.
- If you have high volume distribution operations and are seeking weekly entry savings and cash flow benefits.



# Learn more

Here are some webpages where you can find more details about:

[U.S. CBP web page on FTZs. General Information](#)

[New Mexico's FTZ #110](#)

