

**FOREIGN TRADE  
ZONE 163**



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LIBRE**  

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**DEL SUR**





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## What we have to offer:



Economic Development



Global Competitiveness



Reduced Duties

# Who are we?

- ❖ Grantee of Foreign-Trade Zone 163, operating from the Port of Ponce, since 1996.
- ❖ Distribution and/or manufacturing qualifies.
- ❖ Promotes socioeconomic development and local and international commercial exchange.



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# What is a Foreign- Trade Zone?

- ❖ It is a secure define site inside the U.S. that is legally considered outside of Customs territory, so goods may be brought into the site duty-free and without formal customs entry and reduce its operational costs.
- ❖ FTZ is a tool that companies can use to increase their competitiveness.

## Types of Zones:

- General Purpose Zone (GPZ)- established for multiple activities by multiple users.
- Sub- Zone- special purpose zones used by one company for a specific activity.



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# Our Legal Basis

## **FTZ Act**

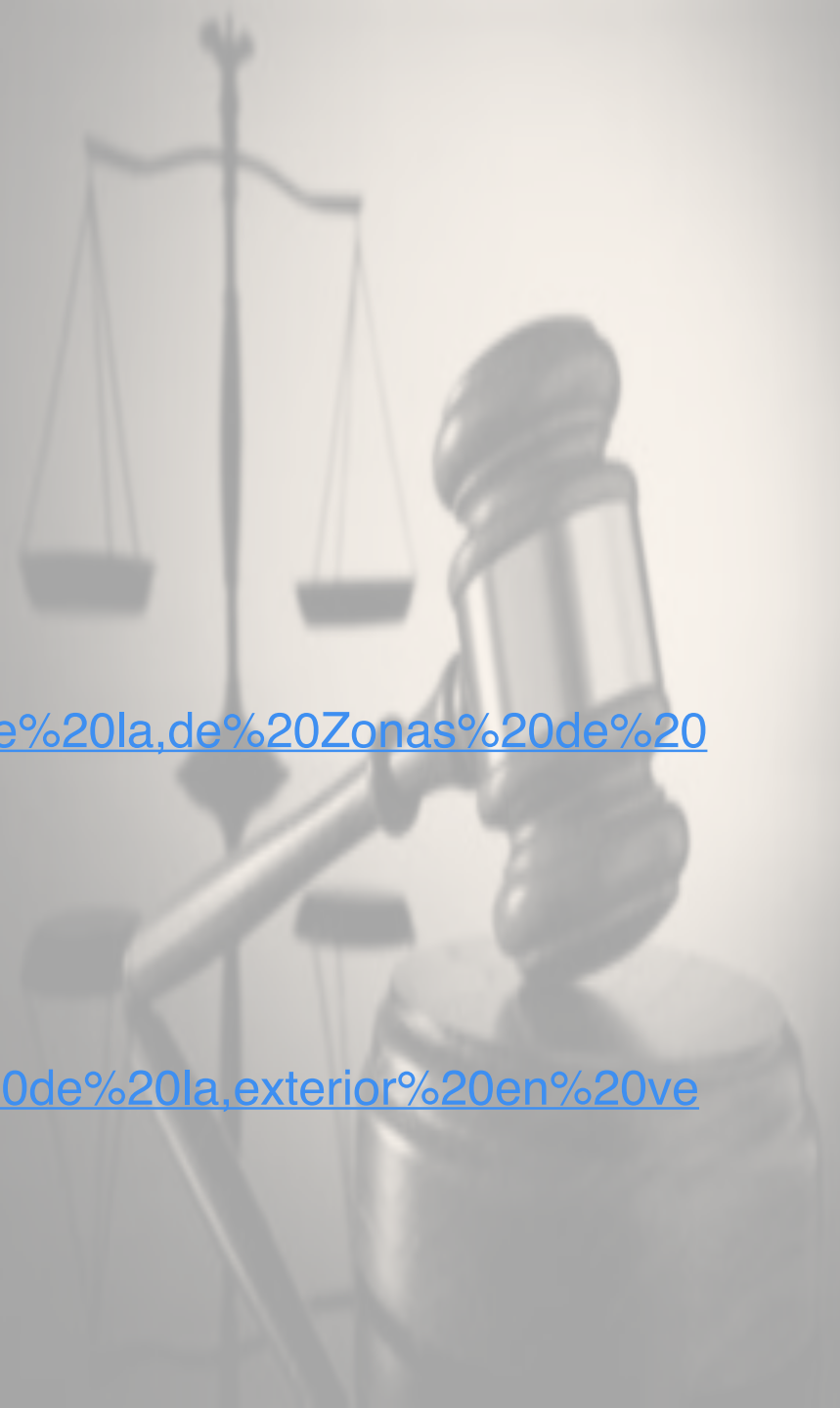
<https://www.trade.gov/faq/ftz-act>

## **Ley 131 (1999)**

<https://www.lexjuris.com/LEXLEX/Ley1999/lex99131.htm#:~:text=El%20prop%C3%B3sito%20principal%20de%20la,de%20Zonas%20de%20Comercio%20Exterior>

## **Ley 159 (2004)**

<https://www.lexjuris.com/lexlex/Leyes2004/lexl2004159.htm#:~:text=El%20prop%C3%B3sito%20principal%20de%20la,exterior%20en%20vez%20del%20extranjero>



# Our Objectives

1. To promote the economic development of Puerto Rico.
2. Develop business and commercial alliances in Puerto Rico and the World.
3. Create new employment.



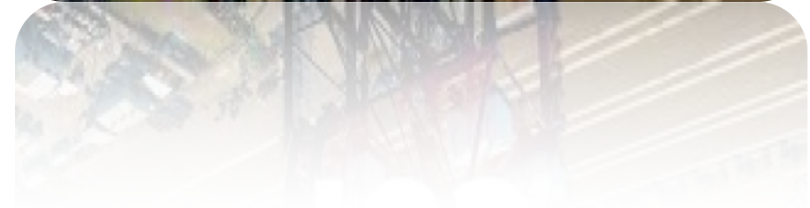
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# Our Clients/ Representative Clients

- AUTOS VEGA- CENTRO AUTOMOTRIZ SANTA ROSA
- AXIS CARE HEALTH LOGISTICS, INC
- BELLA INTERNATIONAL
- BEST PETROLEOUM CORPORATION
- CARIBE RX, INC
- CESAR CASTILLO, INC
- COLOMER & SUÁREZ INC
- CORREA TIRE DISTRIBUTOR
- DEMACO
- DESTILERÍA SERRALLÉS, INC



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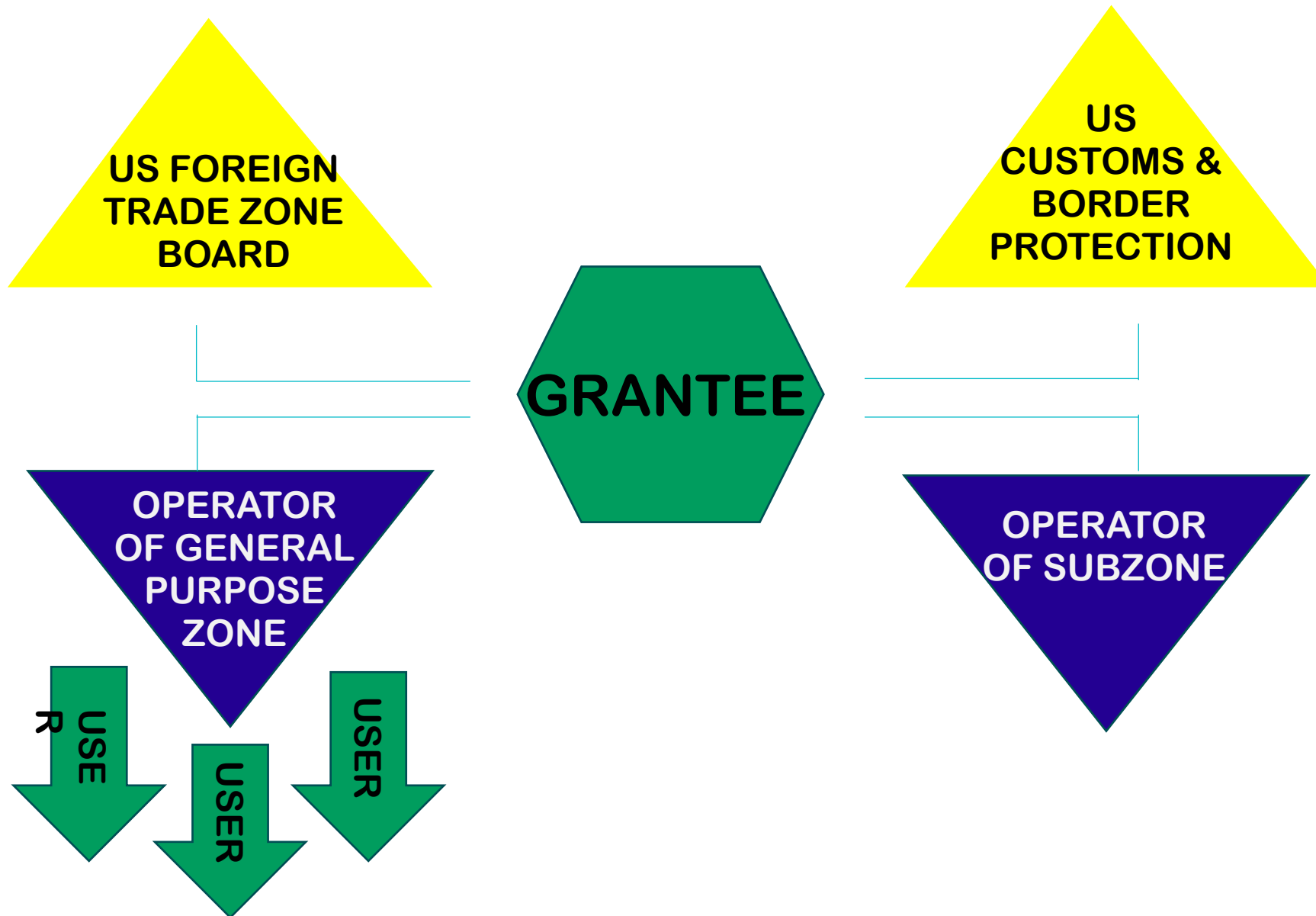


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# Our Clients/ Representative Clients

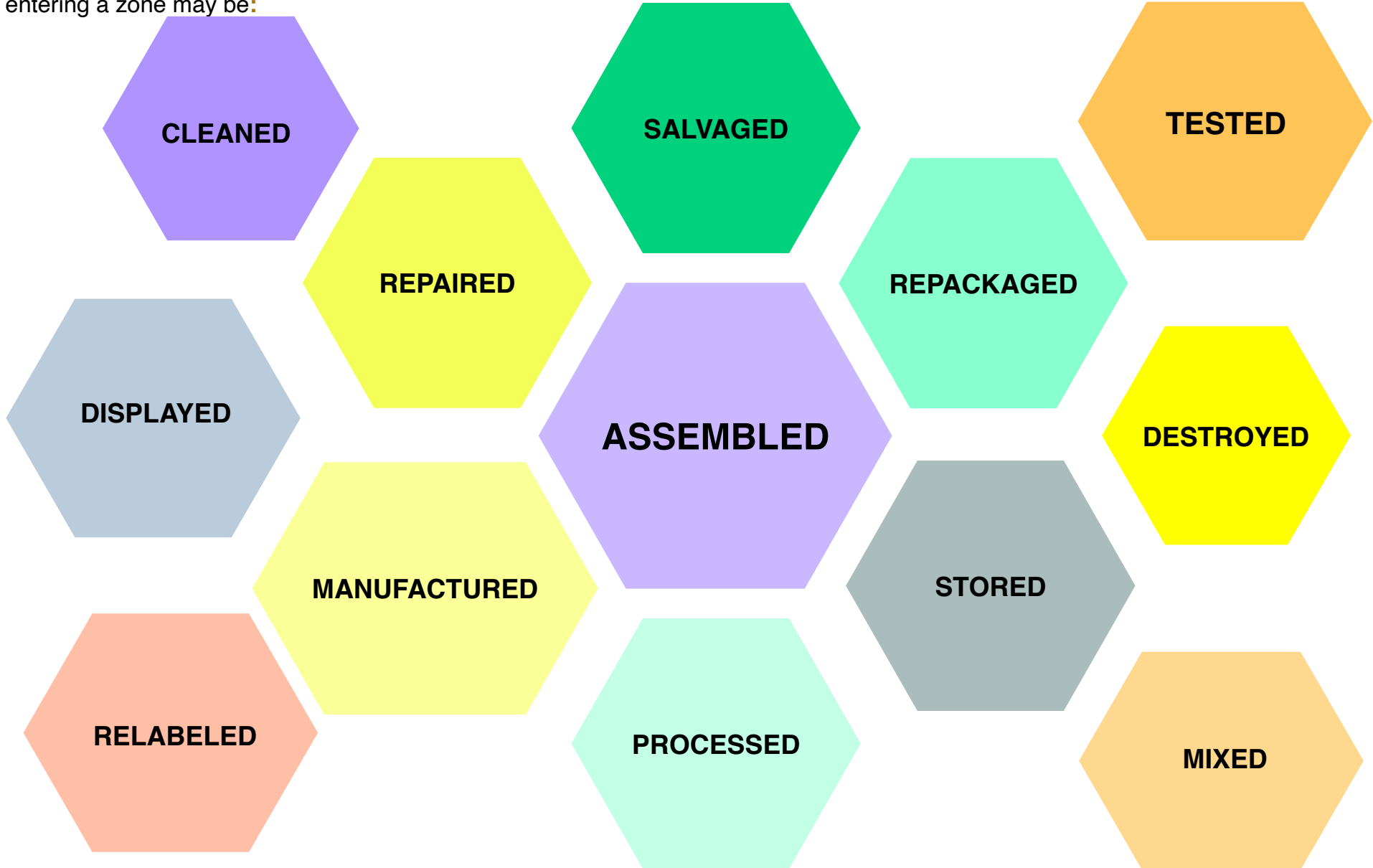
- FELCON AUTOMOTIVE, INC
- GLOBAL MANUFACTURING
- GMC LLC
- HVPH LEXUS PONCE
- INVERSIONES CESAR CASTILLO, INC
- LIQUILUX GAS CORPORATION
- LT AUTOS LLC
- LUIS A. AYALA COLON SUCRS, INC
- PEERLESS OIL AND CHEMICALS, INC
- PETRO AIR, CORP
- PORTA SHIP MAINTENANCE & REPAIR
- PROCARIBE A DIV.OF T.A.C.I
- P.R. COFFEE ROASTER
- P.R. DISTRIBUTOR LLC
- PUERTO RICO ASPHALT, LLC
- PUERTO RICO STEEL PRODUCTS
- RIMCO LLC
- R ORTÍZ AUTO DISTRIBUTORS
- VPH- OESTE LLC
- VPH- SUR LLC

# FTZ Program Organizational Chart



# FTZ ACTIVITES:

Merchandise entering a zone may be:



# Benefits of a Foreign- Trade Zone

- ❖ **CASH FLOW-** by reducing operational costs, your flow will increase.
- ❖ **COMPETITIVENESS-** FTZ program offer savings to help competitiveness of their U.S. based operations vis-à-vis their foreign based competitors.
- ❖ **SUPPLY CHAIN TIMELINE-** direct delivery of your merchandise from the transporter to your site.
- ❖ **RETURN ON INVESTMENT-** ROI will begin immediately.
- ❖ **INVENTORY TAXES (CRIM)-** no taxes will be paid on the inventory stored within the FTZ as well as the equipment used in your normal operations.

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# Benefits of a Foreign- Trade Zone

- ❖ **DUTY DEFERRAL**- there is a deferral on duties on foreign imported raw material and merchandise.
- ❖ **QUALITY ASSURANCE & CUSTOMS COMPLIANCE**- information, location and tracing of merchandise including those returned or destroyed will be readily accessible.
- ❖ **DIRECT DELIVERY**- no time constraint on storage.
- ❖ **CLIENT'S DEMAND ON HAND**
- ❖ **INVENTORY CONTROL**

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# Added value

- ❖ FTZ 163 is a strategic tool for the generation of Added Value within the region, especially adjacent ports of entry:
  - Port of Ponce
  - Port of San Juan
- ❖ Activities allowed within the Zone premise such as manufacturing, assembling, repackaging, etc. increase the product added value without paying Federal or excise taxes.



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# Savings Example

Company ABC imported raw material and merchandise in the amount of 1 million dollars during a given year.

- Example 1: Total Inventory: \$1,000,000.00  
 $\times 9\% \text{ (CRIM)} * 1$   
\$90,000.00 (**SAVINGS**)
- Example 2: Total Sales: \$1,000,000.00  
Exported: \$300,000.00  
 $\times 0\% \text{ (Municipal Taxes)} * 2$   
(**100% EXEMPTED**)



# Savings Example

- Example 3:      Equipment: \$500,000.00  
                                 x 9% (CRIM)  
                                 \$45,000.00 (**SAVINGS**)
  
- Example 4:      Modification and/or Site Improvements  
                                 Investments: \$125,000.00  
                                 x 60% (CRIM)  
                                 \$75,000.00 (**SAVINGS**)

(EXEMPTED FROM REAL ESTATE CRIM)

\*1 <https://www.colegiocpa.com/?wpdmdl=1653&ind=1683144054012>

\*2 <https://www.colegiocpa.com/?wpdmdl=1653&ind=1679083881526>



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# Contact us

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