

Chapter 20

Customs Clearance

Customs Clearance

- Duty Determination
- Non-Tariff Barriers
- Customs Clearance Process
- Foreign Trade Zones

Duty Determination

Duty is the amount of tax paid on an imported good. The amount of duty that an importer has to pay is determined by three factors:

- The type of goods (their classification)
- The value of the goods (their valuation)
- The country from which the goods originated (the rules of origin)

The tariff is the rate at which an import is taxed; the rate is dependent on the classification of the goods, as well as their country of origin. The tariff rate is also called the duty rate.

Classification

For almost all countries, the classification of goods follows the Harmonized System (HS) of Classification. Every product has an international 6-digit code which is used to determine the product's tariff rate. Countries can add up to 4 additional digits.

Here are the classification numbers for golf shoes in the U.S.:

6402.19.05	Golf Shoes
30	For Men
60	For Women
90	For Other People

The first six digits represent the “root” of the international coding. The last four digits are “country- specific.”

Classification

The Harmonized System is a very large list (the US 2021 version has 4,379 pages), comprised of:

- 21 sections, divided by product or material
- 97 chapters (the first 2 digits of the HS number)
- Each chapter is then divided into headings (the first 4 digits of the HS number)
- Each heading is then divided into subheadings (6 digits).

The correct classification of an imported good is generally made by the importer and then verified by the Customs Office.

Rules of Interpretation (I)

Classifications are made according to very specific rules of interpretation:

- The section, chapter, and heading only serve as guides, and the correct classification may be in a different section, chapter, and heading altogether.
- The classification of an incomplete or unfinished product is that of the finished product. For example, shipments that contain all of the subassemblies for a final product should be classified as the final product rather than as individual parts. This is true of chemical compounds as well.

Rules of Interpretation (II)

- When in doubt between two classifications, the one with the most specific description is the correct one. However, if the product is made up of several parts, each of which would lead to a different classification, then the classification that lends it its “essential character” is the correct one.
- When there is no category under which a specific product can be classified, then the classification that should be used is that of a product that would be most like it.

Rules of Interpretation (III)

- Containers and packaging materials are classified with the products with which they enter: such would be the case for camera cases, for example. However, if the container has usage beyond the product itself, then it must be entered and classified separately.
- When comparing classifications, only descriptions at the same level should be compared; it is not appropriate to compare a heading to a subheading, for example.



Customs officers routinely open packages to verify classification.

Source: James Tourtelotte, US Customs and Border Protection

Valuation

Most duty is collected based on the value of the goods. Customs terminology is that duty is collected *ad valorem*.

It is therefore very important to determine the correct value of the goods.

For customs' purposes, valuation is generally the amount billed by the exporter and shown on the invoice.

However, there are some cases where the invoice amount is modified or superseded.

Valuation and Incoterms[®] Rules

For most countries, the dutiable amount, the amount on which duty is calculated, is the “landed value” of the goods. This is interpreted by most countries as the CIF or CIP value of the goods (the amount that the importer would pay if the purchase was made on a CIF or CIP basis). Others use the CFR or CPT value.

If the invoice is for an FAS transaction, the costs of international transportation and insurance are added to the invoice value to determine the dutiable amount.

If the invoice is for a DAP transaction, the costs of on carriage in the importing country should be deducted from the dutiable amount.

Valuation and Incoterms® Rules

The United States uses a different standard for dutiable amount.

Goods imported in the United States are valued on an FAS or FCA basis, or the value of the goods as they were leaving the exporting country.

A U.S. importer receiving goods on a CIF or CIP basis should therefore deduct the costs of international transportation and insurance from the invoice value to determine the dutiable amount.

In all cases, it is therefore critical to have exporters provide as much detail as possible on invoices so that the importer can determine the correct dutiable amount, and pay the least duty.

Valuation

In some cases, customs determine that the invoice amount is not reliable, and another dutiable amount should be used.

There are four alternative methods used by customs authorities worldwide to determine how goods must be valued:

- Comparative method
- Deductive method
- Computed or reconstructed value method
- Method of last resort

Alternative Methods of Valuation (I)

- Comparative Method

The dutiable value of the goods is based upon the value of identical or similar goods imported in similar quantity to the same country.

- Deductive Method

The value of the goods is determined from the price at which identical or similar goods are sold within 90 days of importation in the importing country, using “normal” markups in the distribution channel.

Alternative Methods of Valuation (II)

- Computed or Reconstructive Method

The value of the goods is determined by computing the manufacturing costs of the goods, adding customary expenses for overhead, as well as a reasonable profit.

- Method of Last Resort

Customs use well-trained and well-informed Customs officials to determine the value of the goods imported; no specific guidelines are given, other than that the valuation cannot be “arbitrary.”

Rules of Origin

The third element necessary to determine the duty that will be applied to a specific import is the country of origin of the goods.

Goods are given a country of origin based upon a set of rules that are known as “rules of origin.”

Rules of origin follow one of the two following methods:

- Substantial transformation
- Change in Harmonized System Classification

Substantial Transformation

The country of origin of a product is the country in which it acquired its most substantial transformation.

The determination of the “substantial transformation” can be very difficult in some cases and can lead to widely different results and interpretations.

The “substantial transformation” rule is the one followed by most countries for manufactured goods.

The country of origin of a computer has been based on the country of manufacture of the motherboard, that of the final assembly of the product, and that of the operating system.

Change in H.S. Classification

The country of origin is the country in which the last change in the Harmonized System classification of the product occurred.

This method can sometimes lead to a product's country of origin being a country in which a fairly inconsequential transformation took place, and where little value was added.

This method is the one currently followed by the United States for textile products.

Silk scarves, hand-painted in Italy (and that would therefore have been “made in Italy” under the “substantial transformation rule”), are “made in China” under the “change in HS classification” rule because they were woven in China.

Tariffs

The tariff rate for an imported product is found in the tariff schedule, which lists all the possible Harmonized System classification categories, as well as their associated tariff rates for the different types of countries.

Most tariff schedules are two- or three-column schedules, giving two or three different rates for each product classification, depending on the country of origin.

The United States has a two-column tariff schedule, with the countries with which it has “Normal Trade Relations (NTR)” in column 1 and the ones with which it does not in column 2.

The Tariff Schedule of the United States is dense and complicated.

Harmonized Tariff Schedule of the United States Basic Revision 1 (2021)

Annotated for Statistical Reporting Purposes

XVIII
91-34

Heading/ Subheading	Stat Suf- fix	Article Description	Unit of Quantity	Rates of Duty		
				1		2
				General	Special	
9114		Other clock or watch parts:				
9114.10		Springs, including hairsprings:				
9114.10.40	00	For watches.....	No.....	7.3%	Free (A+, AU, BH, CA, CL, CO, D, E, IL, JO, KR, MA, MX, OM, P, PA, PE, R, SG)	65%
9114.10.80	00	Other.....	No.....	4.2%	Free (A+, AU, B, BH, CA, CL, CO, D, E, IL, JO, KR, MA, MX, OM, P, PA, PE, SG)	65%
9114.30		Dials:				
9114.30.40	00	Not exceeding 50 mm in width.....	No.....	0.4c each + 7.2%	Free (A+, AU, B, BH, CA, CL, CO, D, E, IL, JO, KR, MA, MX, OM, P, PA, PE, R, SG)	5c each + 45%
9114.30.80	00	Exceeding 50 mm in width.....	No.....	4.4%	Free (A+, AU, B, BH, CA, CL, CO, D, E, IL, JO, KR, MA, MX, OM, P, PA, PE, R, SG)	50%
9114.40		Plates and bridges:				
9114.40.20	00	Watch movement bottom or pillar plates or their equivalent.....	No.....	12c each	Free (A+, AU, BH, CA, CL, CO, D, E, IL, JO, KR, MA, MX, OM, P, PA, PE, R, SG)	75c each
9114.40.40	00	Any plate, or set of plates, suitable for assembling thereon a clock movement.....	No.....	10c each	Free (A+, AU, B, BH, CA, CL, CO, D, E, IL, JO, KR, MA, MX, OM, P, PA, PE, SG)	38c each
9114.40.60	00	Other: For watches.....	X.....	7.3%	Free (A+, AU, BH, CA, CL, CO, D, E, IL, JO, KR, MA, MX, OM, P, PA, PE, R, SG)	65%
9114.40.80	00	Other.....	X.....	4.2%	Free (A+, AU, B, BH, CA, CL, CO, D, E, IL, JO, KR, MA, MX, OM, P, PA, PE, SG)	65%

Legend:

A+: Generalized System of Preference
 AU: United States – Australia Free Trade Agreement
 B: Automotive Product Trade Act
 BH: Bahrain Free Trade Agreement
 CA: NAFTA Agreement with Canada
 CO: United States – Colombia Free Trade Agreement
 CL: United States Chile Free Trade Agreement
 D: African Growth and Opportunity Act
 E: Caribbean Basin Economic Recovery Act
 IL: United States – Israel Free Trade Area
 J: Andean Trade Preference Act

J+: Andean Drug Eradication Act
 JO: United States – Jordan Free Trade Area Implementation Act
 KR: United States – Korea Free Trade Agreement
 MA: United States- Morocco Free Trade Agreement
 MX: NAFTA Agreement with Mexico
 OM: Oman Free Trade Agreement
 P: Dominican Republic – Central America US Free Trade Agreement
 PE: Peru Free Trade Agreement
 R: United States - Caribbean Basin trade Partnership Act
 SG: United States – Singapore Free Trade Agreement

The classification is by H.S number and description.

Harmonized Tariff Schedule of the United States (2013) (Rev. 1)
Annotated for Statistical Reporting Purposes

Heading	Subheading	Article Description	Rate of Duty				
9114		Other clock or watch parts:					
9114.10		Springs, including hairsprings:					
9114.10.40	00	For watches					
9114.10.80	00	Other					
9114.20		Jewels					
9114.30		Dials:					
9114.30.40	00	Not exceeding 50 mm in width					

9114		Other clock or watch parts:
9114.10		Springs, including hairsprings:
9114.10.40	00	For watches
9114.10.80	00	Other
9114.20.00	00	Jewels
9114.30	00	Dials:
9114.30.40	00	Not exceeding 50 mm in width

Harmonized Tariff Schedule of the United States (2013) (Rev. 1)
Annotated for Statistical Reporting Purposes

Heading	Rate	Unit	Article Description	YTD of Origin	Rate of Origin	Rate of Origin
9114.20.00	00		Other dials or watch parts	No.	Free (A+, AU, B, BH, CA, CL, CO, D, E, IL, J, J+, JO, KR, MA, MX, OM, P, PE, R, SG)	0%
9114.30.00	00		For watches	No.	7.2%	0%
9114.30.40	00		Other	No.	4.2%	0%
9114.20.00	00		Dials:	No.	Free	0%
9114.30.00	00		Dials:	No.	0.4¢ each + 7.2%	45%
9114.30.40	00		Not exceeding 35 mm in width	No.	0.4¢ each + 7.2%	45%
9114.30.00	00		Exceeding 35 mm in width	No.	4.2%	0%
9114.20.00	00		Watch movements	No.	11¢ each	0%
9114.20.10	00		Watch movements having or other parts or their accessories	No.	11¢ each	0%
9114.20.90	00		Other	No.	0%	0%
9114.40.00	00		Other	X	7.2%	0%
9114.40.00	00		Other	X	4.2%	0%

Legend:

A+ - Generalized System of Preferences
 AU - United States - Australia Free Trade Agreement
 B - Antigua and Barbuda Free Trade Agreement
 BH - Bahrain Free Trade Agreement
 CA - NAFTA Agreement with Canada
 CL - United States - Colombia Free Trade Agreement
 CO - United States - Chile Free Trade Agreement
 D - Adnan Kaftan and Opportunity Act
 E - Caribbean Basin Economic Recovery Act
 IL - United States - Israel Free Trade Area
 J - Andean Trade Preference Act
 J+ - Andean Drug Eradication Act
 JO - United States - Jordan Free Trade Area Implementation Act
 KR - United States - Korea Free Trade Agreement
 MA - United States - Morocco Free Trade Agreement
 MX - NAFTA Agreement with Mexico
 OM - Oman Free Trade Agreement
 P - Dominican Republic - Central America US Free Trade Agreement
 PE - Peru Free Trade Agreement
 R - United States - Caribbean Basin Trade Partnership Act
 SG - United States - Singapore Free Trade Agreement

9114.20.00	00	Jewels	No.	Free	Free (A+, AU, B, BH, CA, CL, CO, D, E, IL, J, J+, JO, KR, MA, MX, OM, P, PE, R, SG)	10%
9114.30	00	Dials:				
9114.30.40	00	Not exceeding 50 mm in width	No..	0.4¢ each + 7.2%		5¢ each + 45%

Once classification and country of origin are determined, the tariff rate is easily found.
 For dials of 35 mm in diameter coming from Switzerland, the tariff is \$0.004 per unit + 7.2 % of the invoice value.

Duty

A watch dial (35mm in diameter) is classified as 9114.30.4000 by the United States.

- For a dial whose country of origin is Switzerland, the duty rate would be a compound rate; the importer would be charged 7.2 percent of the invoice value (FCA) and 0.4 cents for each dial.
- For a dial whose country of origin is Australia (AU code), there would be no duty, because of the U.S. - Australia Free Trade Agreement.
- For a dial whose country of origin is Libya, the duty rate would be 45 percent of the invoice value (FCA) and 5 cents for each dial.

Dumping

Some exporters sell the products they are exporting at a price that is considered “too low” by the importing country’s Customs Office. The purpose of the strategy is to gain market share in the importing country.

Such a strategy is called dumping.

In order to counter this strategy, importing countries can implement anti-dumping duty, that is collected in addition to the regular import duty.

Anti-dumping duty can reach very high levels. Some are 150 to 200 percent of the value of the imported goods.

Other Import Taxes (I)

In addition to duty, several countries will collect additional taxes based on the value of the goods.

These additional taxes are a way of creating additional revenues from imports. Such taxes challenge the boundaries of the General Agreement on Tariffs and Trade (GATT) and the rules of the World Trade Organization (WTO).

The following are some examples of other taxes:

- Punitive duty
- Border traffic tax
- Safeguard tax
- Temporary protection tax

Other Import Taxes (II)

- Punitive Tax

The United States, unhappy about a decision by the European Union to give preferential treatment to bananas imported from certain countries, retaliated by placing a 100 percent duty on certain items coming from any of the European Union countries: cashmere, blue cheese, “handbags covered in plastic sheeting,” and so on.

- Border Traffic Tax

Russia, in order to “make a more accurate tally of border flows of people, cargo, and means of transportation,” imposes a 1 percent tax on all goods crossing its borders. Russian travelers are taxed at 0.8 percent of their monthly income.

Other Import Taxes (III)

- Safeguard Tax

Argentina, after being chastised by the WTO for having increased its duty rate on footwear, reduced them, and immediately re-imposed them through an emergency “safeguard tax” designed to protect its footwear industry against foreign competition.

- Temporary Protection Tax

The United States imposed a 33 percent additional tariff on brooms from Mexico to allow U.S. manufacturers to increase their efficiency so that they could compete against imports. It repealed such tax two years later, noting that the industry had not taken advantage of this protection period to improve its efficiency.

Value-Added Tax

Value-Added Tax (VAT) is a tax perceived by many countries that is very similar to a sales tax, but that is collected whenever that product's value is increased. The VAT on imports is collected at the point of entry in the country.

VAT accounting is handled in such a way that only the final consumer of the product actually pays the tax. It is not a cost to the importer.

Non-Tariff Barriers

Non-tariff barriers are policies and actions that have the effect of reducing the number of items imported in a specific country. Non-tariff barriers are essentially prohibited by the GATT and WTO.

The most frequently used non-tariff barriers are quotas. There are two types of quotas: absolute quotas and tariff-rate quotas.

However countries will use other means to restrict imports, such as national standards of performance or safety, pre-shipment inspections, and other “unusual requirements.”

Absolute Quotas

An absolute quota is a limit, set by the importing country's government, on the quantity of a specific commodity that can be imported in a given year.

The United States had no absolute quotas as of August 2021.

Until 2005, the United States had absolute quotas on textile products originating in China. The quotas were eliminated in January 2005, which caused some significant market disruptions, and therefore re-established for two years under an agreement with China on "quantitative restraints."

Tariff-Rate Quotas

Under a tariff-rate quota, the importing country places a two-tiered tariff rate on a specific product. Until a specific number of units has been imported, the tariff is low; once the quota is reached, the tariff goes up, sometimes many-fold.

The United States has had a tariff-rate quota on sugar for a very long time, restricting the import of sugar from all of the major sugar-producing countries in the world. The quota is 1.1 million tonnes, or about 10 percent of the U.S. consumption.

Before the quota is reached, the duty is \$0.01406 per kilogram; after it is reached, the duty is \$0.3387 per kilogram, or 32 times higher.

National Standards

At times countries enact “safety measures” designed to protect their populations from defective, dangerous, or unhealthy products.

When these requirements are only targeting products made abroad, especially if they are based dubious or non-scientific data, they become non-tariff trade barriers.

The European Union restricts the import of genetically-modified cereals and of hormone-treated beef, despite having no evidence of their potential harm.

Pre-Shipment Inspections

Pre-Shipments Inspections (PSI) are performed by independent companies to determine that the goods shipped are the ones ordered by the importer, in the correct quantity, and sufficiently well packed for an international shipment. PSIs are performed at the point of departure of the goods destined to be exported.

PSIs are non-tariff barriers when they become too frequent and cumbersome.

Indonesia and Thailand require that all imports be subject to Pre-shipment Inspections.

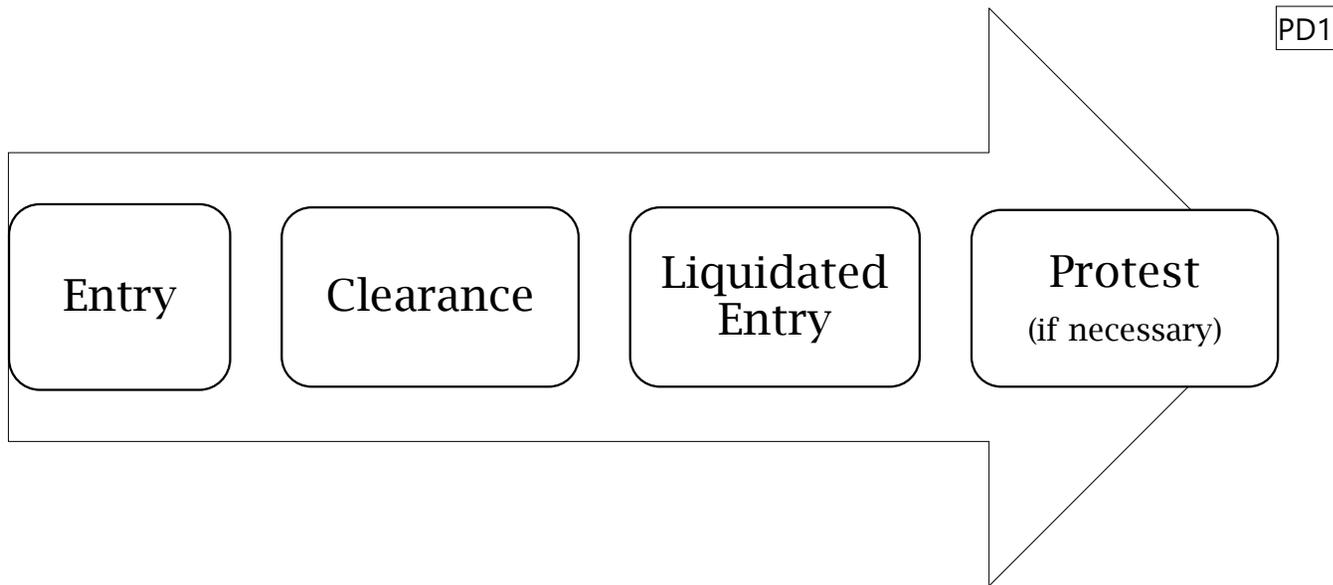
Other Non-Tariff Barriers

Many countries have been known to enact strange rules with regards to imports, typically aimed at protecting a certain domestic industry.

Other countries require a virtual endless number of approvals and documentation before goods may be imported.

France once required all imported VCRs to be inspected in a specific small town, located far from the entry port. This inspection was done very slowly with the intended consequence of preventing VCRs from entering the country.

Customs Clearance Process



Customs Clearance Process

- Entry
The process by which an importer notifies Customs it has imported a product.
- Clearance
The term used to signify that the goods have been imported into a country, duty has been paid, and they have been released by Customs.
- Liquidated Entry
An entry that has been successfully reviewed by Customs authorities and for which duty has been paid.
- Protest
The formal request by an importer to have Customs reconsider the classification of a good, its valuation, or the determination of its country of origin.

Required Documentation

At the minimum, the following three documents are required by every country to make an entry:

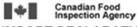
- A form designated for entry (specific to the importing country)
- A Certificate of Origin to ascertain the country of origin
- A Commercial Invoice with enough information to determine value and classification

However, certain goods require much greater documentation.

It is very important to have good invoices. The importer (and Customs) determines the classification of the goods and the dutiable amount from the invoice submitted by the exporter.

A Canadian Import Declaration.

Source: Canadian Food Inspection Agency

 Canadian Food Inspection Agency / Agence canadienne d'inspection des aliments		DÉCLARATION D'IMPORTATION	
IMPORT DECLARATION <input type="checkbox"/> Dairy Products / Produits laitiers <input type="checkbox"/> Pesticides / Semences <small>* Registrar / Agence à l'enregistrement</small>		<input type="checkbox"/> Processed Fruits and Vegetables / Fruits et légumes transformés <input type="checkbox"/> Seeds / Semences	
<input type="checkbox"/> Honey / Miel <input type="checkbox"/> Feed / Aliments du bétail		<input type="checkbox"/> Maple Products / Produits de l'érable <input type="checkbox"/> Fertilizer * / Engrais *	
2. Name and Address of Manufacturer / Nom et adresse du fabricant		3. Name and Address of Exporter / Nom et adresse de l'exportateur	
4. Name and Canadian Address of Importer / Nom et adresse canadienne de l'importateur		5. Name and Address of Destination (consignee) / Nom et adresse de destination	
Telephone Number / Numéro de téléphone		Telephone Number / Numéro de téléphone	
6. Transaction No. / N° de transaction		7. Carrier / Transporteur	
8. Flight No. / N° de vol		9. Container No. / N° de conteneur	
10. Trailer No. / N° de remorque			
PRODUCT DESCRIPTION AND PACKAGING (ATTACH LIST IF NECESSARY) / DESCRIPTION DU PRODUIT ET DE L'EMBALLAGE (ANNEXER UNE LISTE AU BESOIN)			
11. Common Name / Nom usuel		12. Brand Name / Marque	13. Grade / Catégorie
			14. No. of Shipping Containers / Nbre de contenants
15. No., Type and Net Contents of Individual Containers per Shipping Container / Nbre, type et contenu net des contenants individuels par conteneur d'expédition	16. Total Net Quantity / Quantité totale nette	17. Label Approval No. / N° d'approbation de l'étiquette	18. Registration No. / N° d'enregistrement
			19. Purpose of Importation / Motif de l'importation
			20. Additional documentation and other references / Documents additionnels et autres références
21. Declaration / Déclaration			
I, _____ the importer of the products described on this form do hereby certify that the information provided on this form is complete, correct and accurately describes the products contained in the shipment.		Je, _____, l'importateur des produits décrits sur ce formulaire, certifie que l'information fournie sur ce formulaire est complète et qu'elle décrit avec précision les produits contenus dans ce chargement.	
By signing this declaration in the case of the food products used for human consumption, I affirm that I have read the "Regulatory Requirements for Food Products Imported into Canada" set forth in the instructions to fill out this form and that the products described on this form meet those requirements.		En signant cette déclaration, dans le cas de produits alimentaires utilisés pour consommation humaine, j'affirme que j'ai lu les "Exigences réglementaires pour les produits alimentaires importés au Canada" inscrites dans les instructions pour remplir ce formulaire et que les produits décrits sur ce formulaire satisfont ces exigences.	
Signature		Date	
GOVERNMENT USE ONLY / RÉSERVÉ À L'ADMINISTRATION			
22. Stamp / Estampe		23. Instructions to Customs and Importers / Directives aux douaniers et importateurs	
		Release to the control of AAFC (i.e. inspection at destination) at the time of importation / Au moment de l'importation, main levée et remise sous le contrôle d'AAFC (pour l'inspection à l'arrivée à destination)	
		<input type="checkbox"/> Further action to be conducted on the shipment at the following place: / Autres mesures à prendre à l'égard du chargement à l'endroit suivant:	
		<input type="checkbox"/> Other instruction / Instruction particulière	

The information collected by the Canadian Food Inspection Agency for the purpose of administering the Agriculture Act. Information may be accessible or protected as required under the provisions of the Access to Information Act.

L'information est recueillie par l'Agence canadienne d'inspection des aliments aux fins d'application de la Loi sur l'accès à l'information. L'information peut être accessible ou protégée en vertu des exigences de la Loi sur l'accès à l'information.

Customs Clearance Process

- Required Markings

All products must have the marking “Made in [name of country]” or “Product of [name of country].”

- Merchandise Visas

For products whose importation is limited by quotas, and particularly for textile products, a bilateral monitoring system has been implemented by the importing and exporting countries. These types of goods require a special visa to be allowed in the importing country.



A few countries have been able to turn the required markings requirement into a competitive advantage, but no country has done so as well as Switzerland.

Source: Schweizerische Eidgenossenschaft

Customs Brokers

- Customs Broker

An independent firm, representing the importer, and that has acquired the knowledge and experience required to make import entries efficiently and to deal with Customs effectively.

- Customs Bond

Customs require the importer or the Customs broker to post a bond. A bond is either a sum of money deposited with Customs, from which any unpaid duty can be withdrawn, or an insurance policy with a surety company that acts as a guarantor of the importer or the Customs broker, and which it would be required to pay if the duty were not paid on time.

Customs Standards

- Reasonable Care

A standard of behavior, set and enforced by U.S. Customs, that is expected of importers if they want their Customs entries to be cleared quickly and keep Customs inspections to a minimum.

- Informed Compliance

A standard of training and performance. If an importer has been found compliant, the likelihood that one of its shipments is going to be inspected is minimal, therefore minimizing delays at entry and allowing the importer to organize its supply chain more predictably. It also lowers costs, as merchandise is cleared quickly.

Duty Drawbacks

A duty drawback is a tax break granted by some countries, including the United States, to exporters who are using imported parts in the products they export.

In the United States, Customs will refund 99 percent of the duty paid by an importer for:

- Imported products that are re-exported unused
- Imported parts that are used — without substantial transformation — in the assembly or manufacturing of products that are eventually re-exported

Unfortunately, in many countries, including the U.S., the process of applying for duty drawback can be cumbersome.

Foreign Trade Zones

Foreign Trade Zones (or free-trade zones [FTZ]) are specific locations of a country that have acquired a special Customs status. They are areas of a country that, for Customs purposes, are located “outside” of a country. This means goods can be shipped to FTZs without paying duties or being subject to quotas.

It is only when the goods leave the FTZ and enter the country that they are subject to duty.

In most countries, goods admitted in an FTZ must be legal in the country in which the zone is located: the exemption applies only to Customs' purposes, not to other legal requirements.

Foreign Trade Zone

