

**FOREIGN TRADE
ZONE 163**



**ZONA
LIBRE**

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.



Our Legal Basis

FTZ Act

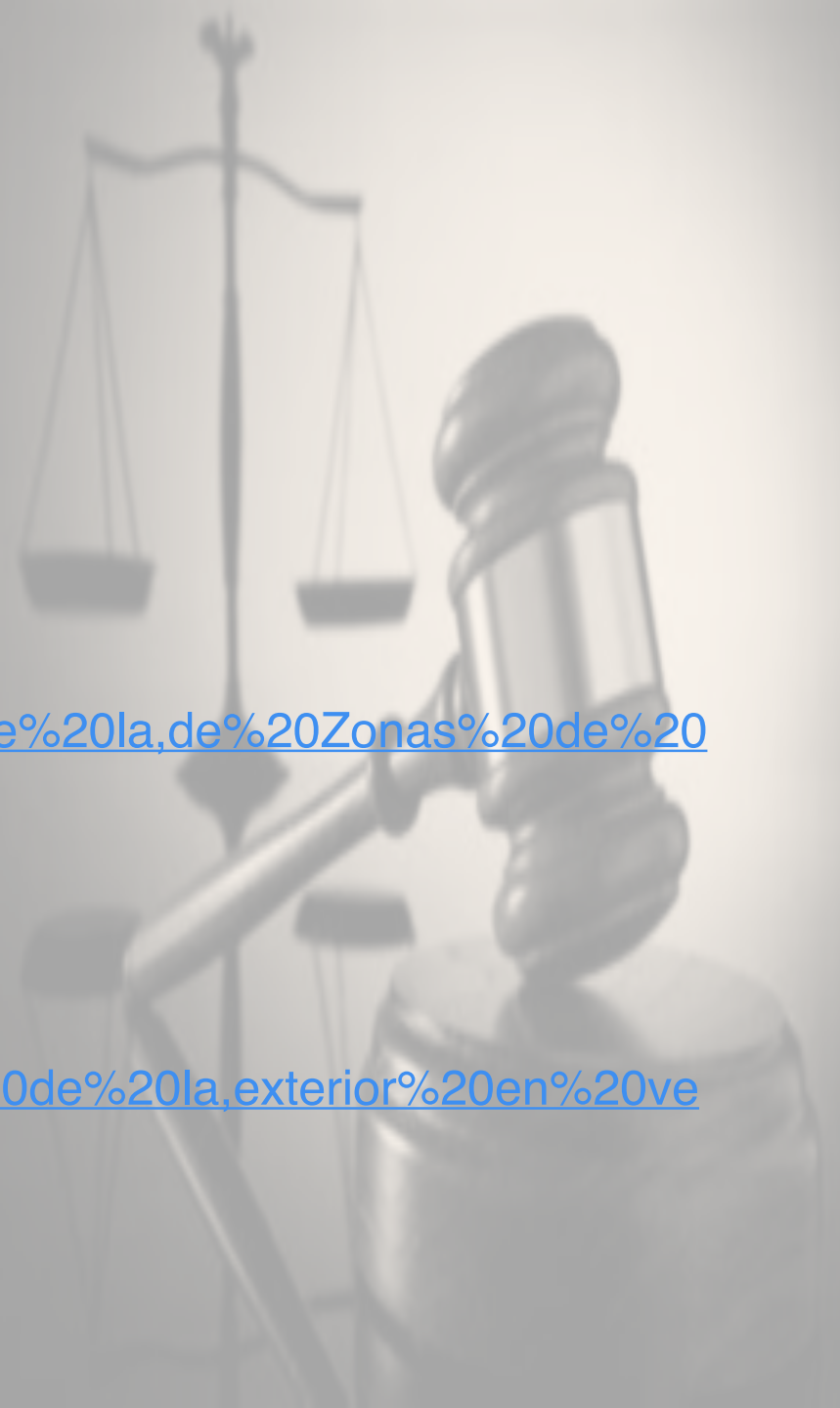
<https://www.trade.gov/faq/ftz-act>

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



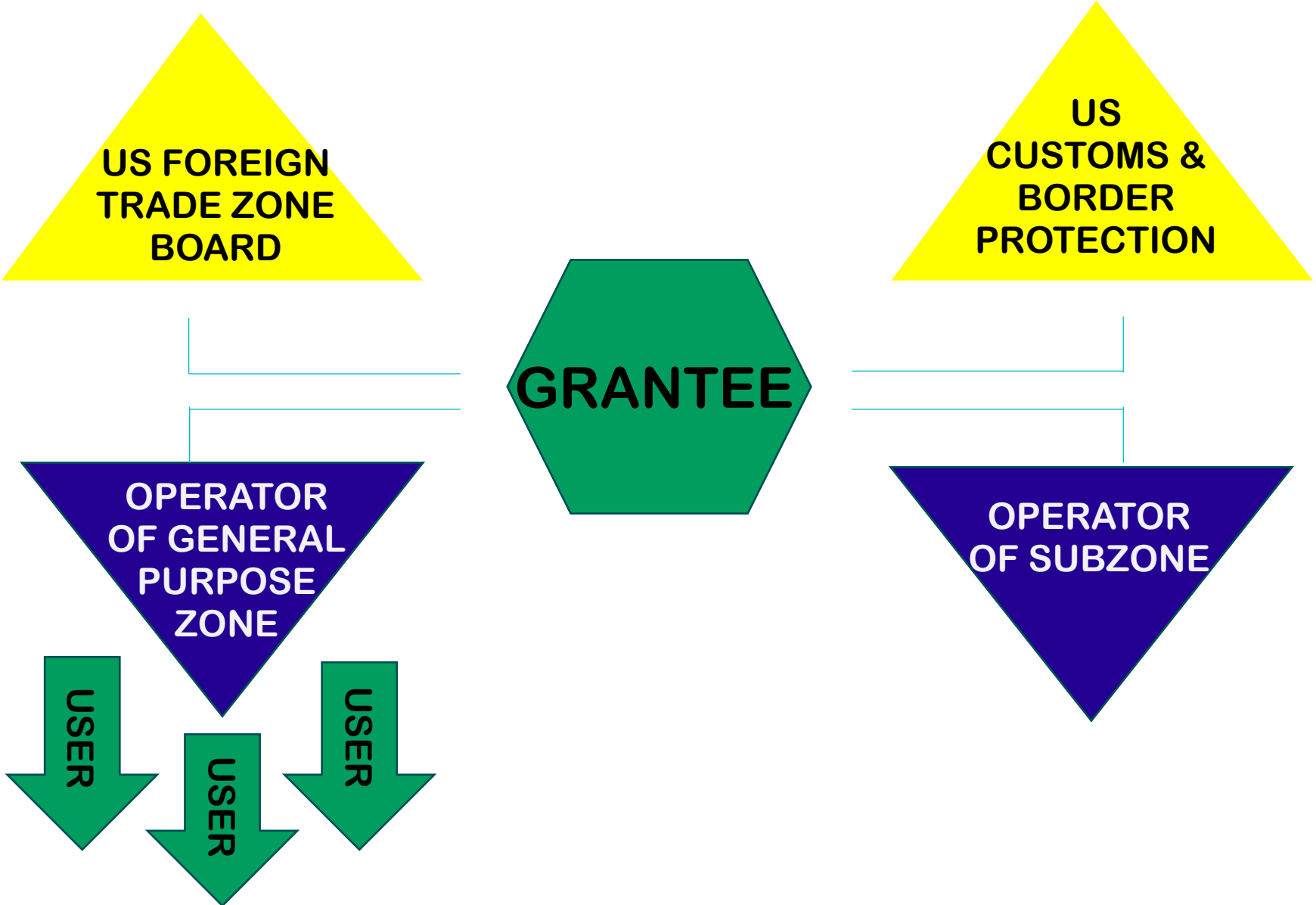


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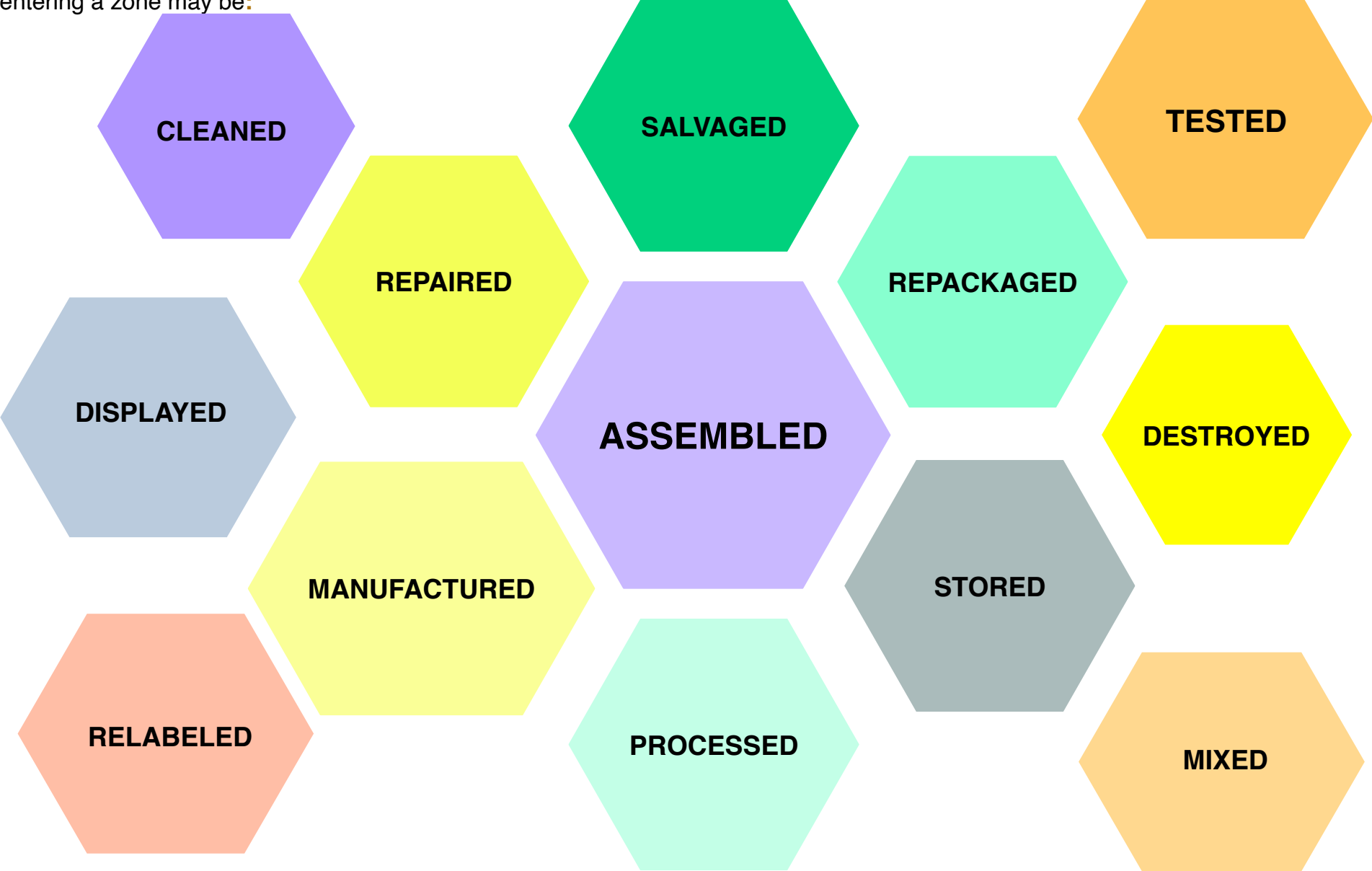
- FELCON AUTOMOTIVE, INC
- GLOBAL MANUFACTURING
- GMC LLC
- HVPH LEXUS PONCE
- INVERSIONES CESAR CASTILLO, INC
- LIQUILUX GAS CORPORATION
- LT AUTOS LLC
- LUIS A. AYALA COLON SUCRS, INC
- PEERLESS OIL AND CHEMICALS, INC
- PETRO AIR, CORP
- PORTA SHIP MAINTENANCE & REPAIR
- PROCARIBE A DIV.OF T.A.C.I
- 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

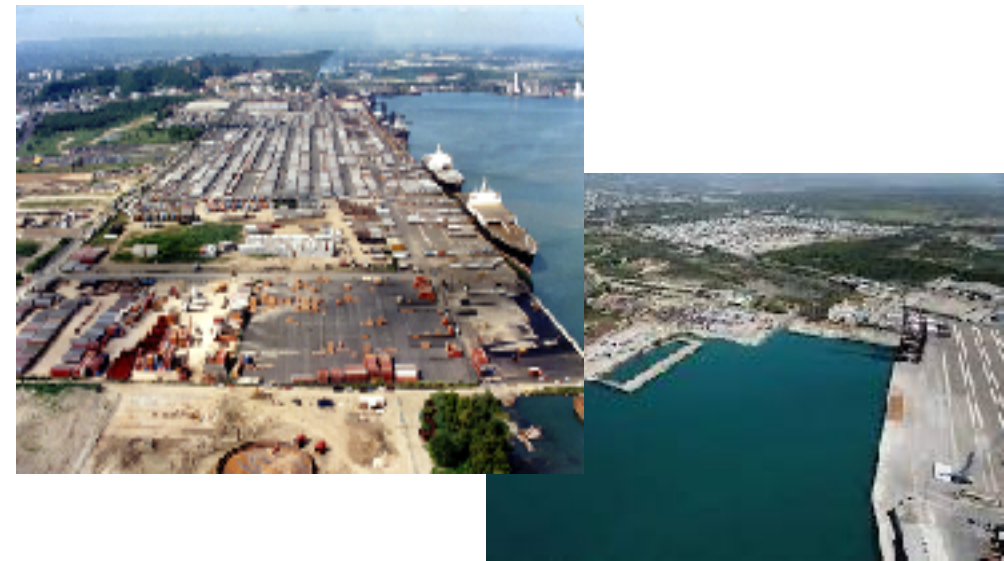
- ❖ **DUTY DEFERRAL**- there is a deferral on duties on foreign imported raw material and merchandise.
- ❖ **QUALITY ASSURANCE & CUSTOMS COMPLIANCE**- information, location and tracing of merchandise including those returned or destroyed will be readily accessible.
- ❖ **DIRECT DELIVERY**- no time constraint 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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P.O. BOX 333
MERCEDITA, P.R.
00715-0333

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





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Contact us

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www.zonalibredelsur.com

Tel. 787- 259- 4445

Fax: 787- 841- 5522

Lcdo. Johnny R. Fernández, Executive Director

jfernandez@zonalibredelsur.com

info@zonalibredelsur.com

P.O. BOX 333

Mercedita, Puerto Rico 00715-0333