

## Imports

The most common payment procedure is for the purchaser to obtain a letter of credit. Upon arrival in the U.S. or Puerto Rico, the shipment may be (1) presented to U.S. Customs for "entry for consumption," (2) transported to another port of entry, (3) placed in a bonded warehouse or (4) placed in an FTZ.

## Placement in Foreign Trade Zones

FTZs are enclosed areas that are considered outside U.S. Customs territory and in which duties on merchandise are deferred, reduced or, in some cases, eliminated. Domestic and foreign merchandise can be brought into FTZs for the purpose of storage, manufacturing, assembly, salvage, repacking, repair, re-export, trans-shipping, exhibit and other operations. Customs duty on products manufactured, assembled or processed in FTZs excludes labour facility and overhead costs as well as profit.