CTPAT Bulletin – Foreign Trade Zone Benefit for Customs Trade Partnership Against Terrorism Trade Compliance Partners

October 2024

U.S. Customs and Border Protection (CBP) has implemented a new benefit for Customs Trade Partnership Against Terrorism (CTPAT) Trade Compliance partners.

Subject to the conditions further described below, U.S. Customs and Border Protection (CBP) has determined that importers who are CTPAT Trade Compliance partners, in good standing, may utilize a Foreign Trade Zone (FTZ) for the storage of goods subject to potential forced labor enforcement action.

In order for importers who are CTPAT Trade Compliance partners to utilize these benefits, they must identify to CBP which FTZ Operator they will use to store these goods and receive Port Director approval prior to the movement of the goods. The FTZ Operator must have an active Type 4 bond, FIRMS Code, and be in compliance with all CBP regulations. The selection of an FTZ Operator by a CTPAT Trade Compliance partner for this purpose is subject to Port Director approval.

Importers that are not CTPAT Trade Compliance partners are not authorized to utilize an FTZ for the storage of goods detained for forced labor. Such importers may only store detained forced labor goods in bonded warehouses using a Type 21 entry.

All importers that are CTPAT Trade Compliance partners and have shipments detained for forced labor which are currently stored in an FTZ may continue to store such shipments in the FTZ if the importer files a formal 06 entry to include all data elements for the suspected goods.

As entities are added to the Uyghur Forced Labor Prevention Act (UFLPA) Entity List, any goods that are impacted but are stored in an FTZ at the time of such addition may continue to remain in the FTZ only if the importer files an 06 estimated weekly entry containing all line-item data elements as required for the transaction. Such filings enable CBP to properly evaluate the merchandise being presented for entry.

Goods detained by CBP for forced labor and stored in an FTZ by CTPAT Trade Compliance partners are subject to the following conditions:

Applicability Reviews for shipments stored in FTZs:

- Centers shall not conduct formal admissibility reviews prior to the filing of formal entries and issuance of detention notices on these formal entries.

Notifications:

- CTPAT Trade Compliance partners must notify the Port Director, the
- CTPAT Trade Compliance Branch, and the Center of Excellence and Expertise Director when utilizing this option.
- The partner must receive Port Director approval prior to moving cargo.

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ACE Instructions:

- The line(s) in question on the estimated weekly entry will be marked as detained by the port issuing the CBP Form(s) 6051D.
- All other lines on the estimated weekly entry will remain on the entry unedited.
- Please note that this estimated weekly entry will not receive a CBP release while any goods on the transaction are detained.
- The filer will need to submit an additional estimated weekly entry for all remaining lines, as this additional estimated weekly entry serves as authorization to withdraw the goods from the FTZ.

Storage of the goods undergoing a determination in the FTZ:

- The detained goods must be directly identified and not fungible.
- The detained goods may not be manipulated, sold, broken up, repacked, nor distributed.
- The detained goods must be physically segregated from other merchandise.
- The detained goods must be physically identified to indicate to the FTZ Operator's employees and CBP that those goods cannot and will not be entered into the United States for consumption or removed from the FTZ.
    - One of the following processes must be utilized to physically identify the goods:
        - CBP 239 Warning Labels must be adhered to the identified cargo at the zone site by CBP personnel; or,
        - Subject to the CBP Port Director's approval, copies of the issued CBP Form 6051D must be adhered to the identified cargo by the FTZ Operator.

Policy questions concerning this guidance should be directed CSCWarehousing@cbp.dhs.gov. CTPAT importer notifications should be directed to CTPATTradecompliance@cbp.dhs.gov.

CTPAT Program

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