

E-COMMERCE FULFILLMENT

That eliminates all duties from your goods

IMPORT SAVINGS OPPORTUNITIES



eSHIP  Global

ECOMMERCE GUIDE FOR USING 321 REGULATION TO IMPORT ITEMS FREE OF DUTY

The Trade Facilitation and Trade Enforcement Act of 2015 (TFTEA) was signed into law P.L. 114-125 on February 24, 2016. It is the first comprehensive authorization of U.S. Customs and Border Protection (CBP) since the Department of Homeland Security was created in 2003, with the overall objective to ensure a fair and competitive trade environment.

As a result of TFTEA provisions, CBP raised the De Minimis value, **value of a shipment of merchandise imported by one person** in one day that generally may be imported free of duties and taxes, from \$200 to **\$800** per shipment.

Section 321, 19 USC 1321 is the statute that describes de minimis. De minimis provides admission of articles free of duty and of any tax imposed on or by reason of importation, but the aggregate fair retail value in the country of shipment of articles imported by one person on one day and exempted from the payment of duty shall not exceed \$800. The de minimis threshold was previously \$200, but increased with the passage of the Trade Facilitation and Trade Enforcement Act (TFTEA).

Parcels below \$800 USD



- No duties
- No harmonized code required

Parcels over \$800 USD



- Subject to duties
- Harmonized code is required

WHAT ARE DIRECT INJECTION SHIPMENTS?

Direct injection shipments are a timely this case Mexico. They are labelled with a US domestic shipping identification at the country of shipping (UPS, Fedex, DHL, etc). Once done, these types of shipments are then sent via cross-border from Mexico to the US. The shipping location also provides a tracking code for the shipment, and such cases, ACE gives express permission to the shipper to deliver the cargo directly to the customer in the destination country.

The cargo is usually delivered on DDP (Delivered Duty Paid), incoterms basis. Since these type of shipments depend largely on their volume and weight and weight, the value is always taken into consideration. Therefore, the value does not go beyond the stipulated \$800 for each shipment.

HOW DOES IT WORK?

1. You ship the product from overseas to a near shore fulfillment center.
2. The goods move from the port of entry (can be Air Freight, Ocean Freight) to our facility in Tijuana Mexico (2 miles from the San Diego Border).
 - a. If the goods arrive to a US Port of Entry: Goods are transported In-Bond (avoiding paying duties & taxes) to a facility in Mexico.
 - b. If the goods arrive to a Mexican Port of Entry: A temporary pedimento is generated to avoid paying taxes in the Mexican side and moved to a facility in Mexico.
3. Product arrives to our facility in Mexico.
4. Product is entered into the warehouse system.
5. Our WMS receives orders executed to the pick, pack & ship process.
6. Orders are shipped in bulk to the US.
7. They are imported under sct. 321 clearance & then delivered to the carrier of your choice.



BUSINESS OPPORTUNITIES

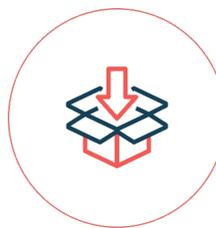
Depending on your company specifics, Section 321 can help you take competitive advantage by eliminating the duties payments on your eCommerce business. All imports made with section 321, are reported in the US Customs system and each consignee will have a separated invoice.

COMPLIANCE & BEST PRACTICES:

- Importers with a large amount of Section 321 shipments cannot consolidate the goods into one shipment if the total value exceeds \$800.
- Each shipment must be manifested separately on the eManifest with unique shipment control numbers (SNC).
- Shipments must have consignee names and addresses; courier service or postal office addresses are not allowed.
- The U.S. Customs and Border Protection (CBP) or any agency that regulates specific goods/commodities can request for shipments to be examined and formal entries made regardless of value.

LET US HELP YOU TAKE ADVANTAGE OF SECTION 321:

Many companies are reducing their cost by simply upgrading to this e-Commerce model where you take advantage of eliminating the duties and taxes paid in the US. Companies are becoming more aware of different logistics scenarios and making adjustments to their supply chain. Our customers are currently making use of Mexico's fulfillment operations.





**OUR CUSTOMERS ARE CURRENTLY
CAPITALIZING THESE ADVANTAGES**

**Give us a chance to talk to you about
these benefits.**

Call us:

From MX: 55 9135 0245

From The US: 619 784 8886

Email us:

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Visit:

www.myeship.co