

COMPARISON OF KEY FEATURES:

FUNCTION	BONDED WAREHOUSE
Customs Entry	A bonded warehouse is within U.S. Customs territory; therefore, a Customs Entry must be filed to enter goods into the warehouse.
Cargo Permitted	Only foreign merchandise may be placed in a bonded warehouse.
Customs Bond	Each entry must be covered by either a single entry, term bond or general term bond.
Payment of Duty	Duties are due prior to release from bonded warehouses.
Manufacturing Goods	Manufacturing is prohibited.
State & Local Inventory Tax	Tax is levied on January 1st of each year on all merchandise.
Storage Term	Not to exceed 5 years.
Permitted Activity	Only cleaning, repackaging and sorting may take place and under Customs supervision.
Drawback of Customs Duties or Federal Excise Tax	Does not apply.
Waste & Damaged Goods	Duty owed on entire shipment entering a bonded warehouse.