

# Invest Sault Ste. Marie

## FTZ Point Designation

November 6, 2019



*Sault Ste. Marie*  
**ECONOMIC  
DEVELOPMENT  
CORPORATION**





# Introduction – Foreign Trade Zones

- Unlike in the U.S., all of Canada is a Foreign Trade Zone. Companies can take advantage of five key federal programs for importers/exporters:

Program	Main Benefit	Main Qualifications
<i>Duties Relief (CBSA)</i>	Upfront relief of duties. May not have to pay duties on imports stored, processed or used in manufacturing other products	Goods must be exported within 4 years
<i>Duties Drawback (CBSA)</i>	Refunds duties paid on imported goods that are later exported.	Goods must have been exported within 4 years
<i>Customs Bonded Warehouse (CBSA)</i>	Defers/relieves duties and taxes when stored in an approved storage facility.	Goods must not be substantially altered
<i>Export Distribution Centre (CRA)</i>	Upfront relief of GST/HST for businesses that import goods and/or acquire goods in Canada, add limited value and then export them.	Must be export-oriented commercial entity that adds only limited value to goods
<i>Exporters of Processing Services (CRA)</i>	Upfront relief of GST/HST on imported goods belonging to non-residents, provided the goods are imported for processing, distribution or storage and subsequently exported.	Goods must belong to non-resident and be re-exported after being processed

- Requires a business to initiate contact and work with the relevant federal agency to access each program.
- Many companies may be unaware of some or all of these programs.





# FTZ Point Designation

1. Invest SSM is working on behalf of the community to become a federally recognized Foreign Trade Zone Point.
2. FTZ Points receive additional support and access to government expertise to help create a “one window” approach for companies looking to access the five key federal programs for exporters/importers.
3. There are currently 12 FTZ Points in Canada including two in Ontario (Windsor-Essex and Niagara region).
4. A business case and strategy have been completed and submitted to the federal government for approval.



# FTZ Point – Why?

1. An FTZ Point designation would help Sault Ste. Marie to become a Northern Ontario focal point for international trade.
2. Following designation and creation of an FTZ Point Task Force, new and existing businesses will receive greater support and access to the five federal programs.
3. FTZ Point designation will strengthen Sault Ste. Marie's positioning on the investment attraction "map" and enhance promotion of the region for international trade.
4. Enhance collaboration of the community's trade partners and activities, including economic development, investment attraction, service providers, government, business and industry.
5. Provide a dedicated focus on facilitating trade through community leadership. Creates a "one window" access point for companies.



# FTZ Point – Why?

- For the reasons discussed, we believe an FTZ Point designation will positively impact businesses in Sault Ste. Marie, Ontario and benefit the region as we work with our American partners to promote a Bi-national investment zone.
- We expect to hear back from the federal government by the spring of 2020.
- In the meantime you can still access these programs. Feel free to reach out to us and we can connect you with the appropriate agency contacts.



# Thank You

Nevin Buconjic  
Manager, Trade & Investment  
Sault Ste. Marie Economic Development Corp.  
[n.buconjic@ssmedc.ca](mailto:n.buconjic@ssmedc.ca)