

- **Implement duty savings with “First Sale.”** Customs duties are normally assessed on the sale between the importer and the middleman vendor. With first sale, duties are assessed on the transaction between the manufacturer and the middleman vendor. The importer would pay duties on the value of the components and labor, but not on the middleman vendor’s markup, thereby shrinking the transaction value of the goods and reducing duty payments.
- **Determine if components of invoice price can be broken out.** With proper structuring, many of the fees that are elements of the price can be deducted from the transaction value upon which duty payments are determined. Deductions can include foreign inland freight and foreign port charges.
- **Review purchase order terms.** Are the incoterms DDP or FOB? If so, consider adding language to agreements regarding duty to shift the burden wherever possible. Further, consider inserting language to account for potential uncertainties regarding future tariffs.

Greenberg Traurig’s [International Trade Practice](#) has broad experience advising clients on Section 301 tariffs. For additional insights on this topic, click [here](#).

Authors

This GT Advisory was prepared by **Laura Siegel Rabinowitz**, **Donald S. Stein**, and **Axel S. Urie**. Questions about this information can be directed to:

- [Laura Siegel Rabinowitz](#) | +1 212.801.9201 | rabinowitzl@gtlaw.com
- [Donald S. Stein](#) | +1 202.530.8502 | steind@gtlaw.com
- [Axel S. Urie](#) | +1 202.530.8539 | uriea@gtlaw.com
- Or your [Greenberg Traurig](#) attorney

Albany. Amsterdam. Atlanta. Austin. Boca Raton. Boston. Chicago. Dallas. Delaware. Denver. Fort Lauderdale. Germany.~ Houston. Las Vegas. London.* Los Angeles. Mexico City.+ Miami. Milan.* Minneapolis. Nashville. New Jersey. New York. Northern Virginia. Orange County. Orlando. Philadelphia. Phoenix. Sacramento. San Francisco. Seoul.∞ Shanghai. Silicon Valley. Tallahassee. Tampa. Tel Aviv.^ Tokyo.* Warsaw.~ Washington, D.C.. West Palm Beach. Westchester County.

*This Greenberg Traurig Advisory is issued for informational purposes only and is not intended to be construed or used as general legal advice nor as a solicitation of any type. Please contact the author(s) or your Greenberg Traurig contact if you have questions regarding the currency of this information. The hiring of a lawyer is an important decision. Before you decide, ask for written information about the lawyer’s legal qualifications and experience. Greenberg Traurig is a service mark and trade name of Greenberg Traurig, LLP and Greenberg Traurig, P.A. ~Greenberg Traurig’s Berlin office is operated by Greenberg Traurig Germany, an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. *Operates as a separate UK registered legal entity. +Greenberg Traurig’s Mexico City office is operated by Greenberg Traurig, S.C., an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. »Greenberg Traurig’s Milan office is operated by Greenberg Traurig Santa Maria, an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. ∞Operates as Greenberg Traurig LLP Foreign Legal Consultant Office. ^Greenberg Traurig’s Tel Aviv office is a branch of Greenberg Traurig, P.A., Florida, USA. ¢Greenberg Traurig Tokyo Law Offices are operated by GT Tokyo Horitsu Jimusho, an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. ~Greenberg Traurig’s Warsaw office is operated by Greenberg Traurig Grzesiak sp.k., an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. Certain partners in Greenberg Traurig Grzesiak sp.k. are also shareholders in Greenberg Traurig, P.A. Images in this advertisement do not depict Greenberg Traurig attorneys, clients, staff or facilities. No aspect of this advertisement has been approved by the Supreme Court of New Jersey. ©2019 Greenberg Traurig, LLP. All rights reserved.*