

ZISSER

GROUP

IMPORT • EXPORT LAW



Issues on the table:

Renegotiation or termination of NAFTA

Border Tax

Border Adjustment Tax

Renegotiation or Termination of NAFTA

Item	Landed Cost	W/ NAFTA	W/O NAFTA
TV	\$500	\$0	4.2% = \$21
T-Shirt	\$10	\$0	17% = \$1.70
Grape Tomato	\$5	\$0	4% = \$0.20

Border Tax (Mexico Only)

Item	Landed Cost	Sales / Dist Expense	Sale Price	35% Tax	BAT 20% Tax
TV (imported from Mexico)	\$500	\$100	\$1000	\$400 profit = \$140	\$900 profit = \$180
TV (domestic)	\$500	\$100	\$1000	\$400 profit = \$140	\$400 profit = \$80
TV (imported Non-Mexico)	\$500	\$100	\$1000	\$400 profit = \$140	\$400 profit = \$80

Border Adjustment Tax (All Imports)

Item	Cost	Sales / Dist Expense	Sale Price	35% Tax	BAT 20% Tax
TV (imported)	\$500	\$100	\$1000	\$400 profit = \$140	\$900 profit = \$180
TV (domestic)	\$500	\$100	\$1000	\$400 profit = \$140	\$400 profit = \$80
TV (domestic) exported	\$500	\$100	\$1000	\$400 profit = \$140	\$400 profit = \$0

Challenges:

1. High Margins = Lower Impact
Low Margins = Higher Impact
2. Users/Distributors/Retailers
3. Origin Tracking

Future Issues:

Case by Case Impacts

WTO Subsidy Violation

NAFTA Violations

Trade Wars

Uncertainty

Strategic Opportunities

Enforcement