



## NEWS IN BRIEF

### Liquidations of GSP Refunds Have Begun

We have started to see liquidations of entries with deposit refunds where the "A" SPI was transmitted along with the payments. This falls into CBP's previous notices that the refunds would start to be processed by mid-July. If you are expecting GSP refunds you should have a list of entries that used the "A" SPI with refunds due, so that you can track refunds as you receive them. If you do not have your list, please request one from your Carmichael representative.

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### Helpful Hints for China 301 Duties

In light of recent changes involving 301 duties, we reached out to U.S. Customs and Border Protection (CBP) and have determined some helpful things to be aware of in dealing with China Section 301 retaliatory duties:

- China 301 duties apply only to products of mainland China, not Taiwan or Macau. The assessment will apply to China goods no matter where they are exported from.
- Products of China exported and re-imported will not be subject to new 301 duties, if the goods qualify for classification under Chapter 98. This includes items that were exported for repair before the duties started to be assessed. This also includes goods that were exported and returned within 3 years of that export without having been advanced value or condition.
- Goods put up in sets will only be assessed the retaliatory duties if the classification that is determined for the set is an HTS number that falls on the list. There is no breakout for goods that are not subject to the HTS number. The entire set will be assessed the additional retaliatory duty. This also applies to sets where the classification that is determined for the set is not on the HTS list. None of the rest of the items, including any that fall on the list, will be assessed the retaliatory duty. There is no value breakout. The entire set will either be subject to the 301 assessments or not.
- Products of China that are subject to antidumping and countervailing duties and Sec 232 duty assessments, for steel and aluminum duties, are still subject to those duties along with the 301 duties.
- Shipments under \$800.00 that would be normally subject to the 301 duties will not be subject to them, if the shipment is released under Section 321.

- Articles subject to the Section 301 duties may be entered under a temporary importation bond (TIB) without a deposit for the retaliatory duties. However, the TIB bond must include the calculations for the retaliatory duty in case the goods are not properly re-exported.

We will continue to ask CBP questions on the entry processes for the entries with retaliatory duties

### China Section 301 Retaliatory Duties – Exclusions and Exemptions

The Office of the United States Trade Representative (USTR) has issued three lists of HTS numbers for the China Section 301 duties. The first list that was proposed months ago was originally over 1,333 HTS numbers. After the required review, 515 HTS numbers were removed and 818 numbers went into effect on July 6. The retaliatory duties to be assessed are 25%. The list is final, meaning no more HTS numbers will be excluded from this list. However, individual product exemptions can still be claimed. The deadline for requesting product exemptions is October 9, 2018.

The second list of 284 HTS numbers were originally recommended during the first list review. Comments for exclusion of these numbers are still being accepted, but the final written comments are due by July 27. A hearing will also be held on July 24. The USTR will not accept any requests for individual product exemptions until the list becomes final. The proposed retaliatory duties for these HTS numbers is also 25%.

The third list issued by the USTR, last week, has 6,031 HTS numbers. This list was issued due to China's negative responses to the first two lists.

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These numbers will also be undergoing a formal review for HTS exclusion with written comments due by August 17.

[Today's Federal Register Notice](#) contains the third list of HTS numbers, issued by the USTR. The notice also includes instructions on how to file comments and how to apply to appear at the hearings on pages 33609 and 33610.

A handwritten signature in black ink, appearing to read 'Todd Boice', with a horizontal line extending to the right.

By **Todd Boice**, President