



NEWS IN BRIEF

CBP Issues New FAQ on ISF

U.S. Customs and Border Protection (CBP) has issued a new Frequently Asked Question document on Importer Security Filing (ISF) this month. The changes include information on ISF-5 filings and the ISF importer for foreign cargo remaining on board (FROB), along with several contact and email address changes.

The updated document can be found on CBP's website.

CBP Beefs Up Regulatory Audit

At the Pacific Coast Council's annual WESCCON in October, the Field Director of Regulatory Audit at the U.S. Customs and Border Protection (CBP) Los Angeles office told the audience that CBP will be adding 60 new auditors to their staff. This would amount to six auditors for each of the 10 Regulatory Audit offices. CBP is taking a stronger posture for enforcement in dealing with classification and in criminal schemes to avoid duty, especially with the 301 trade remedy duties and with antidumping. This year, Regulatory Audit will have a push on electronics first, starting with surveys to importers before they set up an audit. They are concerned with classification accuracy on items that have traditionally had low duty rates which are now subject to the much higher trade remedy retaliatory duties.

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Increase to China 301 Duties Looming

Instructions from the office of the U.S. Trade Representative to increase 301 trade remedy duties are still scheduled to go into effect on January 1, 2019. The scheduled increase pertains to the third list that was released and is set to increase duties from 10% to 25%. For imports arriving before January 1, we can file an elected entry to ensure the date of the entry is set from the December arrival date. The 10% 301 trade remedy duty will still be in effect, even if U.S. Customs and Border Protection (CBP) holds a shipment and releases it after January. Although the change is still set to take place as is, past experience tells us that potential changes are still possible. The current administration has been working on negotiations with China and there is still a small chance for an agreement to be reached that will bring an end to the additional duties under 301.

If an agreement can be reached, there is a catch on submitting entries with any request for an elected entry date. Once that date is requested under CBP's process, we cannot go back and change it. If the trade remedy ends on December 27 and we had requested the elected entry date for December 26, you would still probably be liable for the 10% amount. Our entry filers will contact any customers with shipments subject to the trade remedies to check if they still want us to file their entries with the elected entry date to avoid the possibility of the additional 15% on top of the 10%. If you have any questions about this process, please contact our Customs Administration Department.

Time to Review Annual Blanket Certifications

Antidumping Non-Reimbursement Statement

U.S. Customs and Broker Protection (CBP) regulations state that that blanket non-reimbursement statements for antidumping (ADD) cases are only good for one year. Each year a new statement must be prepared and

submitted. Our experience is that, for ADD, preparing the certificates at the same time each year helps importers to control them. We suggest you prepare new certificates for blanket statements that you prepared mid-year to run from January 1, 2019 to December 31, 2019. This will help you track them towards the end of each year and help eliminate any of them from falling through the cracks. Once you have prepared your certificates please forward them to your contact at Carmichael.

Need to Review NAFTA Certificates for 2019

With all the announcements about NAFTA 2, formally known as the United States-Mexico-Canada Agreement (USMCA), this agreement has only been signed. It still must be ratified by all three countries. After all three countries have completed the ratification, the agreement will still not go into effect until three full months after the last country has completed its ratification. We have seen that some of the earliest estimates for the effective date are for the third quarter of 2019. Until the agreement goes into effect, the current NAFTA rules still apply. If you have a review program for your NAFTA certificates, especially for blanket certificates for your imports and exports, now is a good to start your reviews.

By **Todd Boice**, President