

MEMO TO CLIENTS

ISSUE 20-004 • April 27, 2020

NEWS IN BRIEF

Follow Carmichael on LinkedIn

Keep up with current trade information and stay up to date with newsworthy updates from Carmichael International Service by following us on LinkedIn!

<u>Click here</u> to find us on LinkedIn.

USTR Announces U.S, Will be Ready for USMCA

On Friday, U.S. Trade Representative (USTR) Robert Lighthizer notified Congress that Canada and Mexico have taken measures necessary to comply with the United States-Mexico-Canada Agreement (USMCA). The USTR also stated that the United States is ready as well and the USMCA will go into effect on July 1, 2020.

After this notification to the U.S. Congress, Mr. Lighthizer notified Mexico and Canada that the U.S. will have completed its domestic procedures to implement the agreement, which is the final step necessary for the USMCA to enter into force.

The USTR's press release on its announcement can be found on the USTR <u>website</u>.

CBP Issues Interim Instructions for Implementation of USMCA

U.S. Customs and Border Protection (CBP) has issued interim implementation instructions for the U.S.-Mexico-Canada Agreement (USMCA) to prepare importers for its implementation. This publication will provide guidance to the changes from NAFTA to USMCA. It covers many of the technical aspects of the USMCA provisions including, qualifying for the USMCA provisions, preparing a USMCA certificate, support documents, content rules and textile & apparel rules of origin.

This guidance is a good reference material as importers prepare for the implementation of USMCA; however, this document is an interim publication with the instructions in place pending issuance of final regulations. They are not final and are subject to further revision.

The guidelines can be found on the CBP website.

Thailand Articles Being Removed from GSP

Back in October, the U.S. Trade Representative

(USTR) announced that removal from GSP (Generalized System of Preferences) was under review for seven countries. Thailand was being reviewed for not properly protecting workers rights. Necessary actions have not been taken by Thailand and the USTR will remove GSP for several Thai products beginning April 25.

The link for the list of HTS numbers affected can be found on the USTR <u>website</u>.

Duty Deferral - A Few Special Points

We have been through the first week of the duty deferrals allowed by the Trump Administration through U.S Customs and Border Protection and there are a few points we want to make sure everyone understands.

- The deferrals are given on an entry by entry basis. We remove the entries from the statement for future payment
- After an entry is pulled to deferral, we cannot transmit any corrections or file any Post Summary Correction (PSC) to that entry until the duty is paid. If a PSC is needed, we can arrange the payment of the entry earlier than the 90 days allowed.
- A duty deferral is not allowed on any entry that has any lines subject to 301, 232, 201, antidumping and countervailing duties.
- If you have a shipment that has lines that qualify for the deferral and lines that do not qualify, CBP will allow the filing of 2 entries against that shipment to accomplish the partial deferment. Sine the two entries must be filed at the time of release, we will rely on our customers to notify us when an entry should be split up.
- Large shipments could mean paying the minimum MPF twice

Please let us know if you have any questions about the process.

By **Todd Boice**, President

Tell RB