

THE CARMICHAEL COMPASS

"WHEN THE TIDES OF TRADE SHIFT, WE'RE YOUR COMPASS."

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Trade Agreement Between United States and South Korea Begins Implementation

On November 13 the U.S. and South Korea released a [joint fact sheet](#) regarding the details of the trade agreement between the two countries. This fact sheet details the steps both countries agreed to undertake.

On December 3, the United States Trade Representative followed through on the promises made in the fact sheet, releasing a [notice](#) that confirmed tariff cuts for most Korean goods would take effect retroactively beginning November 14.

Much like the agreements with the European Union and Japan, these changes modify the reciprocal tariff rate, or certain section 232 tariff rates, for goods from South Korea to an all-inclusive rate of 15%, based off the column 1 general or special duty rate. For goods with a column 1 general or special duty rate below 15%, the reciprocal or section 232 tariff will be 15%. For goods with a column 1 general or special duty rate equal to or greater than 15%, no reciprocal or section 232 tariff will apply. The specific Section 232 actions receiving this treatment will be autos and auto parts as well as timber, lumber, and their derivatives.

The November 14 effective date is for most South Korean goods including goods subject to section 232 on timber, lumber, and their derivatives. A selection of civil aircraft and civil aircraft parts will also become exempt from reciprocal and section 232 tariffs on this date. For goods applicable to Section 232 tariffs on autos and auto parts, the same tariff treatment will apply but the retroactive effective date for these products is November 1.

The implementation of the trade agreement means that the reciprocal tariff number **9903.02.56**, which became effective on August 7, has now expired. This tariff has been replaced by **9903.02.79** for goods whose column 1 general or special duty rate is equal to or greater than 15% and by **9903.02.80** for goods whose column 1 general or special duty rate is less than 15%.

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CBP Updates IEEPA Tariff FAQ

A December 5 update made by CBP to the IEEPA Tariff FAQ clarifies that goods entered using a Chapter 98 provision that avoids IEEPA duty must still list the otherwise applicable tariff classification on the entry.

CBP has also stated that filers should report otherwise applicable

Chapter 99 provisions when entering goods temporarily under bond, though no payment of duties is required at the time of entry

[Customs Trade Partnership Against Terrorism](#)

for compliant TIB filings, because the bond which covers the TIB entry must account for any duties that would apply.

Several other clarifications and updates were made involving non-steel/aluminum/copper content, EO number 14289, and Annex II. Find all the changes [here](#).



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