



CUSTOMS MANAGER

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Customs & Global Trade “Wrap-Up”

US & EU Legislative Monitoring & News for Customs, Trade Agreements and Export Controls Week 6/2020 (3 - 9 February 2020)

Welcome to Customs Manager’s **Legislative Monitoring** for the EU and the US.

On **Customs**, a big week for US & Chinese tariff measures – as both countries prepare to slash additional duty by half! Separately, sadly, the US announced fresh duty on aluminium and steel for (almost) everyone! The man of steel will not be impressed!

On **Trade Agreements** nothing can beat the UK’s drive for emancipation! We explore the [EU-UK FTA negotiating mandate](#) in two separate explanatory blog entries! At the WTO the UK says it has now “grown-up” and is ready to show leadership! It has a Global Tariff Policy consultation and informs about how ADD/CVD will be applied. We only treat this at high-level here, so for a comprehensive coverage of all customs, trade agreements and export control changes, consider getting [“UK Legislative Monitoring & News”](#). As a premium service, this comes with a new, totally UK-focused 15+ page weekly legislative monitoring & news document ([free sneak peak here](#)), plus, exclusive explainer blog entries, podcasts, training and much more to get you empowered faster and better.

On export controls, besides Mali (US) and Somalia (EU) restrictions, we look at a critical case where an employee [took a laptop with ITAR or EAR classified information outside of the USA without the appropriate licences](#). Essential for every Global Trade Professional who needs to train their staff on export control violations.

In the **“From Around the World”** sections, there are lots of news from the WTO this week and in the **OMG!** section, what is the impact of the Coronavirus outbreak on global trade?

Finally, I am excited to announce that I am hosting a **meet-up** on **9 March 2020** at the Elite Business Event in Central London and **9 April 2020** in Central **Atlanta, Georgia, USA**. [Sign up here](#)

If you haven’t signed up to the free weekly EU/US legislative monitoring, we would appreciate you doing so. We have listed some of the many benefits [here](#).

Best,

Arne Mielken

Table of Contents

Customs	3
USA.....	3
European Union.....	5
Trade Agreements	6
USA.....	6
European Union.....	6
Export Controls.....	7
USA.....	7
European Union.....	8
<i>From around the world.....</i>	8
<i>OMG!.....</i>	9
<i>Events.....</i>	10
<i>Sources.....</i>	11
<i>Feedback & Subscription.....</i>	11

To quickly understand what's what:

-  This is the law! It is taken from the US Federal Register or the Official Journal of the European Union or government agency.
-  IT customs & trade information system change, for example CSMS
-  Official press releases, guidance, reports, news or additional information to help Customs Managers & Global Trade Professionals
-  Background Info: Access Customs Manager's Blog for essential background information
-  Noteworthy speeches and comments relevant to our business
-  Special Feature, information of particular relevance.

Customs

USA

A new set of Product Exclusions – China – Section 301 (\$200 billion)

02/05/2020 In 2018, the US imposed additional duties on goods of China of \$200 billion as part of the action in the Section 301 investigation of China's acts, policies, and practices. A notice has been published to grant certain exclusion requests in 2 HTSUS codes (9903.88.03 and 9903.88.04) subheadings, which cover 52 requests, and 117 specially prepared product descriptions, which cover 156 separate exclusion requests. They apply as of September 24, 2018, the effective date of the \$200 billion action, to August 7, 2020. The amendments announced in the notice are retroactive to the date the original exclusions were published. [Access the Federal Register](#)

Should the time for product exclusions, China, Section 301 (\$34 billion) be extended?

02/05/2020 In 2018, the US imposed additional duties on goods of China of \$34 billion as part of the action in the Section 301 investigation with multiple sets of exclusions. The third set of exclusions is scheduled to expire on April 18, 2020. The US has decided to consider a possible extension for up to 12 months of exclusions granted in April 2019 and has invited public comments. [Access the Federal Register](#)

Executive Order on E-commerce

01/31/2020 On January 31, 2020, U.S. President Donald Trump issued an Executive Order to increase regulation of parties facilitating the trafficking of contraband goods (*“any person who knowingly, or with gross negligence, imports, or facilitates the importation of, merchandise into the US in material violation of Federal law evidences conduct of so serious and compelling a nature”*). It said that the “US must protect US revenue from individuals and entities who evade customs duties, taxes, and fees”. [Access the announcement](#)

Travel restrictions for People arriving from China

02/03/2020 Arrival Restrictions Applicable to Flights Carrying Persons Who Have Recently Travelled from or were otherwise present within China. Federal Register entry [2020-02318](#)

Additional duty on Derivative Aluminium and Steel Articles

01/31/2020 On January 31, 2020, the US issued a notice announcing additional exclusions on products of Chinese origin subject to the third list of Section 301 tariffs. [Read the Notice](#)

Entry rights for certain nationals restricted or suspended

02/05/2020 Entry into the United States of nationals of the following countries has suspended and limited for citizens from

- Burma (Myanmar)
- Eritrea
- Kyrgyzstan
- Nigeria
- Sudan
- Tanzania
- China (due to Coronavirus)

[Access the Federal Register](#). On China (Coronavirus): [Access the Federal Register](#)

 **CBP Publishes Guidance on Decrease in Section 301 Duties on Some Products of China; \$300B-Action -Tranche 4A**

02/04/2020 In August 2019, the US imposed additional tariffs on products of China worth \$300 billion (known as Tranche 4). CBP published guidance explaining that the tariff number concerned is separated into two lists with different effective dates:

	Tranche	Annexes	Amount	Additional Duty	Effective Date
List 1	4 A	A	\$300 billion	from 15 % to 7.5 %	01/09/2019
		B			02/14/2020
List 2	4 B	C		Suspended indefinitely	
		D			

 Read the entire CSMS #41538917 in [Customs Manager's blog](#)

 **Quota opening for Solar Cells/Modules, Large Residential Washing Machines & Covered Parts**

02/04/2020 On 02/07/2020 the 2020 quota year providing for the tariff-rate quota (TRQ) opened for:

Crystalline Silicon Photovoltaic (CSPV) cells	Quota Bulletin 20-507 2020
Large Residential Washers and Covered Parts*	Quota Bulletin 20-505 2020

* Large residential washers (only) are limited on a quarterly basis:

- February 7, 2020, to May 6, 2020 – 300,000 units without rollover
- May 7, 2020, to August 6, 2020 – 300,000 units without rollover
- August 7, 2020, to November 6, 2020 – 300,000 units without rollover
- November 7, 2020, to February 7, 2021 – 300,000 units without rollover

All entries submitted prior to 8:30 am EST February 7, 2020, will be counted in the first opening at 8:30 am EST. If the totals exceed the limit all accepted entries will be prorated.

Please refer to the Quota Bulletin to address tariff rates and quantity thresholds for February 7, 2020, to February 7, 2021. <https://www.cbp.gov/trade/quota/bulletins>. CSMS #41527274

 **Reminder: Expanded Message Size for DE and CERT testing for AE and RE Messages**

02/05/2020 Filers can submit 8 MB Drawback (DE) messages with 10,000 underlying Entry Summaries. Drawback filers may submit unsegmented 8 MB DE messages in ACE and no longer need to submit two 4 MB segments. Expanded message sizes are also being created for the Entry Summary (AE) and Reconciliation (RE) messages, but are in the testing phase. CSMS #41569566 - Related Messages: CSMS #41052279

FTZ error codes in ACE

02/05/2020 The following new or updated FTZ error codes will be deployed to ACE Production on Saturday, February 22, 2020.

- 028 - FIRMS CODE NOT ON FILE
- 051 - FIRMS NOT BONDED FACILITY TYPE
- 127 - FIRMS CODE REQUIRED FOR PORT
- 210 - FIRMS CODE IS DEACTIVATED
- 211 - FIRMS CODE IS NOT AN FTZ
- 212 - NO TYPE 4 BOND LISTED ON FIRMS
- 213 - NO ACTIVE BOND LISTED ON FIRMS

Initiation of ADD &CVD Investigations: Certain Vertical Shaft Engines Between 223cc and 999cc and Parts Thereof from China

02/07/2020 the DoC initiated its less-than-fair-value and countervailing duty investigations on “Certain Vertical Shaft Engines Between 223cc and 999cc, and Parts Thereof from the People’s Republic of China (China)” (Initiation Notices). A-570-119 and C-570-120. CBP provided guidance under CSMS #41582634. Please [contact us](#) to receive it.

New Center for Food Safety and Applied Nutrition (CFSAN) Product Codes

The FDA has created new CFSAN Product Codes, available immediately.

- 23K[]10/Flax Seed (Edible Seed)
- 23K[]11/Chia Seed (Edible Seed)
- 23K[]12/Hemp Seed (Edible Seed)

CSMS #41583053

Overview of this weeks’ US Antidumping or Countervailing Duty Measures

[This week’s measures](#)

 Background: What is ADD? What is CVD? [Read the Customs Manager's Blog.](#)

European Union

EU-UK Political Declaration

01/31/2020 Political declaration setting out the framework for the future relationship between the European Union and the United Kingdom. [Read it here](#)

UvdL Commission’s work programme on customs

02/02/2020 “The Commission will adopt an Action Plan on the Customs Union that will focus on three pillars: ensure the protection of the borders, promote compliance of the rules and improve the governance of the Customs Union. The Commission will also adopt a legislative proposal on a Customs Single Window to reinforce the protection of the borders and simplify administrative procedures for companies”. *Taken from EU Commission Work Programme 2020.* [Read it here](#)(2020/C 34/01)

Minor EU Tariff word change

02/04/2020 EU changes wording for the entry for Switzerland in UK Tariff to refer to Federal Customs Administration FCA — Section Tobacco and Beer Tax’ in all its languages. [Access the OJ](#)

EU's position on amendments to the TIR Convention

02/04/2020 The EU has published its position on amending the Customs Convention on the international transport of goods under cover of TIR carnets. It is the Administrative Committee which adopts amendments to that convention by a two-thirds majority of Contracting Parties present and voting. During a session in February 2020, the Administrative Committee is to adopt a new Annex 11 and related amendments to the TIR Convention. The EU has published its support for the amendments proposed in the EU Official Journal, as they will have legal effect in the Union. [Access the Official Journal](#)

 Background: What changes are proposed? [Read the Customs Manager's Blog](#)

Trade Agreements

USA

Ambassador Lighthizer comments on trade opportunities

02/05/2020 “[...] our country has secured tremendous victories in historic agreements like the U.S.-Mexico-Canada Agreement, the China Phase One Agreement, the U.S.-Japan Trade and Digital Trade Agreements, and the U.S.-Korea Free Trade Agreement. Each of these agreements brings new opportunities for American workers, farmers, ranchers and businesses to sell their goods and services to more customers around the world while creating new jobs and a stronger economy for our country. President Trump has kept his promise to chart a new and better course for U.S. trade policy through fairer and more balanced agreements. [...]” [Ambassador Lighthizer](#)

US-UK trade deal: What you need to know

02/04/2020 The UK government hopes to strike a transformational trade deal with the US after it breaks free from the EU, but it will not be easy. [Read the interesting article \(external\)](#)

European Union

EU presents EU-UK FTA negotiating mandate

02/03/2020 The EU has made a detailed proposal for a negotiating mandate to achieve an FTA with the UK in 2020.

 Background, analysis and explanation: [Read Customs Managers' Blog Entry](#)

 Read the blog entry on the UK negotiating mandate and the “Global Britain” Trade policy [UK Legislative Monitoring & News](#) (Subscription required)

EU notified countries that EU trade agreements apply to the UK

02/04/2020 The EU has notified those countries with which it has trade agreements that EU trade agreements can continue to apply to the UK during the transition period. Read the “Note Verbale on the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community”. [Read it here.](#)

More trade with Moldova

02/06/2020 The EU has agreed to increase the volume of the tariff rate quotas (TRQs) for goods from Moldova for table grapes and plums and to introduce a new TRQ for cherries, pork (TRQ 1), poultry (TRQ 2), dairy (TRQ 3) and sugar (TRQ 5). [Access the OJ](#)

Words on WTO, Climate change, EU-US & EU-China relations and Brexit

02/05/2020 EU Trade Commissioner Phil Hogan gave a keynote address to set out his vision for trade policy and on crucial trade issues like the reform of the World Trade Organization, the EU Green Deal, EU trade relations with the U.S. and China as well as Brexit. [Read the speech.](#)

Export Controls

USA

OFAC actions this week

[02/07/2020](#) Venezuela-related Identifications

[02/06/2020](#) Publication of Mali Sanctions Regulations

Case Study - Check your laptop: the case of Wei Sun

02/03/2020 It is illegal for employees to take a laptop with ITAR or EAR classified information outside of the USA without the appropriate licences. In case of non-compliance, the fines include jail time like this case demonstrates.

 Background, analysis and explanation: [Read Customs Managers' Blog Entry](#)

Mali restrictions

02/07/2020 OFAC has issued [regulations to implement Executive Order 13882 of July 26, 2019 \("Blocking Property and Suspending Entry of Certain Persons Contributing to the Situation in Mali"\)](#). They are published in the Federal Register and apply since 7 February 2020. OFAC intends to supplement this part 555 with a more comprehensive set of regulations, which may include additional interpretive and definitional guidance and additional general licenses and statements of licensing policy. [Access the Federal Register](#)

DDTC: Defense Export Control and Compliance System (DECCS) Release - Corporate Administrators WEBINAR

02/07/2020 DDTC will release the latest applications to the DECCS platform on February 13th from 2:00 p.m. - 3:00 p.m. EST, including Registration, Licensing and updates to User Management. The webinar will cover the process for enrolling an organization's current Trade Super Users as DECCS Corporate Administrators. [Contact us for the dial in details.](#)

Enhanced EEUM memo on case-unique

02/06/2020 The DSCA has issued an Enhanced End-Use Monitoring (EEUM) procedures memo, which deals with how to track EEUM defense articles which are considered "Case-Unique." Enhanced Case-Unique articles are items not generally treated as EEUM but are designated as EEUM for specific Foreign Military Sales (FMS) exports. [Read it here.](#)

European Union

Somalia: Sanctions regime amended

02/07/2020 The EU imposes a general prohibition on the provision of technical advice, assistance, training, financing and financial assistance related to military activities to any person, entity or body in Somalia, as well as a prohibition on the import, purchase and transport of charcoal from Somalia. On 15 November 2019, the United Nations Security Council (UNSC) adopted Resolution (UNSCR) 2498 (2019). That Resolution reaffirms a general and complete arms embargo on Somalia and amends the exemptions, advance approvals and notifications concerning the delivery of arms and related materials to Somalia. Furthermore, the Resolution reaffirms the prohibition on the import of charcoal from Somalia and introduces restrictions on improvised explosive device components. The EU amended its Regulation.

- Council Decision (CFSP): [Access the Official Journal](#)

 Background: *EU Sanctions*. [Read Customs Manager's blog](#)

From around the world

China: Additional duty cut for certain US goods by 50% on Valentines' Day

Retaliatory duties on some U.S. goods will be reduced from 10% to 5%, and from 5% to 2.5% on others.

 Background, analysis and explanation: [Read the Customs Manager's blog](#)

Japan: Dispute at the WTO against Korean shipbuilding

02/03/2020 Japan filed fresh dispute proceedings at the World Trade Organisation (WTO) against South Korea over alleged shipbuilding subsidies, a sign that bilateral tensions may be resurfacing after a period of apparent calm. Japan requested "a bilateral consultation as part of the WTO's dispute settlement procedure over South Korea's measures to restructure the shipbuilding industry, " South Korea's trade ministry said in a statement on Sunday (Feb 2), adding the request was made Friday. [Read the article](#)

Ghana: Special Import Levy (Amendment) Act, 2019, Act 1004

02/05/2020 The Act extended the special Import Levy (SIL) for another five years until 2024.

UK: Global Tariff Policy

02/05/2020 DIT has launched a public consultation to inform the UK's new independent global tariff policy.

 Stay up-to-date on UK customs, trade agreements & export control changes: [UK Legislative Monitoring & News](#) (Subscription required)

UK: Protecting UK businesses from injury

02/05/2020 The Government has today announced that it would begin reviewing 43 EU trade remedy measures, which were deemed necessary to UK industries and should be maintained.

 Stay up-to-date on UK customs, trade agreements & export control changes:
[UK Legislative Monitoring & News](#) (Subscription required)

 **UN designates ISIL (Da'esh) and Al-Qaida**

02/04/2020 the Security Council Committee approved the addition of AMADOU, KOUFA to its ISIL (Da'esh) & Al-Qaida Sanctions List of individuals and entities subject to the assets freeze, travel ban and arms embargo. [Read the press release](#)

WTO: DG Azevêdo -To modernize the WTO, we will need vision and determination

02/04/2020 Director-General Roberto Azevêdo said that WTO rules had provided stability and predictability for world trade but the WTO needs to adapt if it is to remain an effective entity in the years ahead. He called for political leadership and involvement to make the necessary changes and said both vision and determination would be required to modernize the organization. [Read the speech](#)

WTO: Revamped WTO Data portal and new API portal

02/07/2020 The WTO launched a revamped WTO Data portal and a new WTO API portal to improve access to its international trade statistics and other WTO-related information. The latest features on the two portals aim to make it easier to find and share WTO data. [Read press release](#)

WTO: Appellate Body issues report on various cases

02/07/2020 The report covered, amongst others, the matters of US duties on Canadian paper and regarding Russian measures on imported railway equipment. [Read the report](#)

WTO: UK notified of the implication of EU withdrawal for itself and other members

02/03/2020 The UK has notified the other 163 WTO members of its status in the organization given its withdrawal from the European Union on 1 February. The UK explained the WTO-related implications of Brexit for itself and other WTO members.

 Learn what the UK did at the WTO this week and read their letter to the WTO
[UK Legislative Monitoring & News](#) (Subscription required)

OMG!

Welcome to our more curious, strange and, sometimes, lighter segment! Welcome to OMG! Describing news and moments, which were too good to miss. Got one? [Send it to me.](#)

 **Attempts to contain the coronavirus are about to hit world trade**

02/03/2020 ING reports that measures to control the spread of the coronavirus are hitting world trade. China's factories remain closed, and airlines are cancelling passenger flights to and from China. Although most cargo flights are continuing operations for now, more than half of air freight is shipped via passenger aircraft and therefore dependent on these flights departing.

While cancelled flights are a logistical constraint on world trade, production is also affected by the coronavirus. Chinese factories remain closed to prevent the virus from spreading. Many provinces, regions and municipalities, including Shanghai, have extended the Chinese New

Year holidays until 10 February. This means production will be delayed. If this continues, there will be more container shipping services cancelled on top of the annual New Year dip.

The interruption of supply chains could have a snowball effect if stocks of essential electronic components from China are depleted.

And this isn't necessarily a temporary slowdown. The coronavirus could potentially impact the annual level of world trade in 2020, as it's not guaranteed that factories and logistics will be able to catch up and fully compensate for earlier delays, given the limited capacity. If they cannot fully recuperate, global trade growth in 2020 will suffer.

When the situation normalises, goods that would ordinarily be shipped by sea are likely to be transported via an air carrier in order to quickly restore supply chain deliveries and limit possible damage further down the line. However, the costs of air freight usually are five times higher than transport costs overseas, which may affect prices and profit margins.

[Access the Source here](#)

Events

February

18 Civil Society Dialogue [with EU Trade Commissioner Hogan](#) in Brussels, Belgium

19-20, 2020 San Diego, CA Complying with U.S. Export Controls, BIS [Click here for more](#)

20-21, 2020, Berlin, Germany [14. Exportkontrolltag; ZAR](#)

27-28, 2020 Muenster, [Germany AWA Foreign Trade Seminar](#)

March

05, 2020 [UK Brexit Breakfast at the IOE&IT](#), Peterborough, UK

09, 2020 EU&UK Customs Manager Community Meet Up, ILEC, Earls Court, London

09-10, 2020 [Elite Business Live](#), ILEC Conference Centre, Earls Court, London

10-11, 2020, Anaheim California, [CBP Public Symposium](#)

April

01, 2020 CBP customs brokers license exam [Read more](#)

09, 2020 US Customs Manager Community Meet Up, Atlanta, Georgia, USA

May

19-20, 2020 Charleston, SC, Complying with U.S. Export Controls, BIS [Read more](#)

21, 2020 Charleston, SC, How to Build an Export Compliance Program, BIS [Read more](#)

June

8-11 12th WTO Ministerial Conference (MC12) in Nur-Sultan, Kazakhstan

18-19, 32. European Customs Law, Hamburg, Germany [Read more](#)

Did we miss an event? Let us know [here](#)

Sources

- Official Journal of the European Union (OJ), L (Legislation) C (Information and Notices)
- US Federal Register
- U.S. Customs and Border Protection – Office of Trade
- Directorate-General for Customs & Taxation for the European Commission
- Directorate-General for Trade of the European Commission
- Department of Commerce, Bureau of Industry and Security
- Department of State, Directorate of Defense Controls
- The White House
- Office of the US Trade Representative
- Department of State
- Census Gov
- World Customs Organisation
- World Trade Organisation
- Various Press Releases & Notifications (notified within the article)
- UK's HMRC
- UK Department of International Trade
- UK Department of Financial Sanctions
- UK Export Control Joint Unit

Feedback & Subscription

We would like to know what you think, especially as to what REGIONS or SUBJECT MATTER you are interested in. Click [here](#) to leave feedback and to subscribe to get your weekly dose of C> “Wrap-Up.”

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