



FedEx Regulatory Alerts & Updates

Regulatory Alert: GSP Reinstated April 22, 2018

April 23, 2018

Background Information

The Generalized System of Preferences (GSP) is a U.S. trade program designed to promote economic growth in the developing world by providing preferential duty-free entry for up to 4,800 products from 129 designated beneficiary countries and territories. The program was authorized by the Trade Act of 1974 to promote economic growth in the developing countries and was implemented on January 1, 1976.

GSP benefits are claimed by utilizing special program indicator (SPI) A, A+ or A*, as applicable on customs entries.

Historically, the GSP periodically expires and must be renewed by Congress to remain in effect. On December 31, 2017, the latest three-year term of the GSP program expired.

What has changed?

On Friday, March 23, 2018, the President signed into law H.R. 1625, the "Consolidated Appropriations Act, 2018," which extended GSP with retroactivity, from January 1, 2018, through December 31, 2020.

On April 22, 2018, U.S. Customs & Border Protection (CBP) will begin refunding GSP duties without interest, to the importer of record, for GSP eligible goods on entry summaries filed between January 1 and April 21, 2018 with the appropriate SPI preceding the U.S. Harmonized Tariff Schedule (US-HTS) code.

Q & A

How do I receive a refund on my GSP eligible products?

Duty refunds will happen in one of two ways:

1. If the shipment was flagged as GSP eligible during the entry processing, CBP will issue an automatic refund to the payer. ("Flagged" means one of the three SPI's (A, A+, or A*) was in front of the US- HTS code on the customs entry). This is how the automatic refunds are processed:
 - a) It will take CBP time to issue the refunds to FedEx Trade Networks Express Clearance Operations (FTN ECO) Importer of Record (IOR) for the shipment).
 - b) FTN ECO must process each refund individually, then forward the refund on to FedEx Express (FXE)

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- c) FXE then refunds the monies to their customers
 - d) Customers will have to be patient as this refund process rolls out; CBP sends the refunds in no specific order.
2. If the shipment was NOT flagged during the entry process, the customer will have to file a duty dispute no earlier than April 21 but NO LATER than September 19, 2018.
- a) Customers will be contacted for any supporting documentation necessary to file a valid claim.
 - b) CBP has requested specific documentation requirements that are required for filed GSP claims.

What should customers with GSP eligible items do to prepare for their refunds?

It is recommended customers conduct a review of their entries that were GSP eligible during the suspension period of January 1 – April 21, 2018:

- Recordkeeping laws require importers to keep copies of their entries on file for a period of 5 years.
- Customers must determine which entries will receive automatic refunds from Customs (“A” in front of the eligible HTSUS numbers), and which they will need to file disputes on via the Duty Dispute process at FedEx Express.
- Once the automatic refunds start being issued, they should monitor the entries that they expect automatic refunds on and ensure that they receive them all.

What is the deadline for claiming retroactive benefits?

Even though the actual deadline cited by CBP is September 19, 2018, it is important that FedEx customers who must submit a duty claim do so with the FedEx Duty and Tax Invoicing group no later than August 29, 2018. This will allow a full three weeks for the customer’s GSP “duty dispute” to be reviewed and any necessary support documentation be obtained by FedEx Trade Networks to submit a fully documented and valid GSP claim to CBP by the stated September 19, 2018 deadline.

How can customers contact the FedEx Express Duty and Tax Invoicing team?

FedEx Express customers should contact the Duty and Tax Invoicing team in the USA to initiate a GSP claim:

- Primary contact channel (email): dutytaxdisputes@fedex.com
- Secondary contact channel (telephone): 1-866-728-8587

Date of Implementation: Immediate

References:

H.R. 1625, the “Consolidated Appropriations Act, 2018”
<https://www.congress.gov/bill/115th-congress/house-bill/1625/text?q=%7B%22search%22%3A%5B%22consolidated+appropriations+act%22%5D%7D&r=3>

CBP - Generalized System of Preferences
<https://www.cbp.gov/trade/priority-issues/trade-agreements/special-trade-legislation/generalized-system-preferences>

CBP – CSMS #18-000296
https://csms.cbp.gov/viewmssg.asp?Recid=23495&page=&srch_argv=18-000296&srctype=all&btype=&sortby=&sby

FedEx Duty Dispute Form
<http://images.fedex.com/us/customer/faq/ClearanceDisputeNotification.pdf>