



FedEx Regulatory Alerts & Updates

Regulatory Alert: U.S. and Canada Withdraw Recent Tariff Actions

September 21, 2020

BACKGROUND

An August 6, 2020 Presidential Proclamation reinstated the Section 232 tariffs effective August 16, 2020 on imports of non-alloyed unwrought aluminum from Canada.

Canada then proposed a Surtax of 10% ad valorem on import of U.S. origin aluminum raw materials and aluminum containing products effective September 16, 2020.

WHAT HAS CHANGED?

The USTR announced on September 15, 2020 that it is ending the 10% tariff imposed in August on imports of Canadian non-alloyed unwrought aluminum. This action is retroactive back to September 1, 2020.

The U.S. and Canada determined that trade in non-alloyed, unwrought aluminum will likely normalize in the last four months of 2020, with imports declining from the volumes earlier in the year.

In light of the U.S. withdrawing the 10% tariff imposed on Canadian unwrought aluminum, the Canadian Government has indicated that it is suspending the retaliatory actions that were set to come into effect on September 16, 2020. If the U.S. were to re-impose the 10% tariff, Deputy Prime Minister and Minister of Finance Chrystia Freeland advised that, "Canada will retaliate with perfectly reciprocal dollar-for-dollar tariffs".

Q&A

Q1. Will these tariff actions occur again in 2021?

A1. Both countries at the end of this year will review the state of the aluminum trade, expected market conditions in 2021, and decide if tariffs will be re-imposed.

Q2. How can I get refunded on any Section 232 tariffs paid between Sept. 1, 2020 and Sept. 15, 2020?

A2. If FedEx Trade Networks (FTN) made the entry for the FedEx Express shipment, customers will need to use the established duties and taxes (D&T) protest process to arrange for the Post Summary Correction (PSC) or to protest the liquidation of the entry. If the shipment was

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imported under broker select option (BSO), the customer needs to coordinate the PSC or protest with the broker who cleared their shipment.

REFERENCE:

USTR Announcement

<https://ustr.gov/about-us/policy-offices/press-office/press-releases/2020/september/ustr-statement-canadian-aluminum>