

Regulatory Alert: U.S. Customs FAQ on the Withhold Release Order for Certain Products from China

February 24, 2021

BACKGROUND

U.S. Customs and Border Protection (CBP) issued a Withhold Release Order (WRO) on January 13, 2021 against cotton products and tomato products produced in the Xinjiang Uyghur Autonomous Region (Xinjiang) of China.

The WRO was issued against cotton and tomatoes and their downstream products produced in whole or in part in the Xinjiang region of China, and includes downstream products produced outside of Xinjiang that incorporate these inputs. Examples of covered products include apparel, textiles, tomato seeds, canned tomatoes, tomato sauce, and other goods made with cotton or tomatoes.

Importers are responsible for ensuring the products they are attempting to import do not exploit forced labor at any point in their supply chain.

WHAT HAS CHANGED?

CBP posted an FAQ document on February 12, 2021 that addresses the recent WRO issued on cotton and tomato products produced from forced labor in the Xinjiang Region in China. The FAQ document addresses specific details as to how CBP will administer the regional WRO (as opposed to a company-specific WRO). It also provides the types of information CBP will seek when making a determination whether forced labor was utilized in producing a certain article or good.

Certain documentation CBP would require for any cotton or tomato articles detained by a WRO is provided in the FAQ for U.S. importers. This includes specific details on certificate of origin documents, importer statements, and product-specific documentation for both tomato and cotton products.

Supporting documentation provided by U.S. importers to CBP should trace the supply chain from point of origin of the cotton or tomatoes, to the production and processing of downstream products, to the merchandise imported into the United States.

Content Intended for FedEx Express Customers Only

U.S. importers must understand the documentation and suggested practices listed in the CBP FAQs are NOT an exhaustive list. Additional documentation could be required for a specific shipment.

The link to the FAQ is posted below in the References section.

Q&A

Q1: Does this current WRO apply ONLY to the tomato and cotton products that are manufactured in the Xinjiang Region?

A1: No, this WRO also applies to goods made in any country using inputs that were produced in the Xinjiang Region.

Q2: How many WROs has CBP issued against China?

A2: There have been 43 total WROs issued against China since 1991. However, this is the first WRO that is applied to "all downstream products" made from the original items. All WROs issued by CBP on all twelve impacted countries is in the CBP Orders and Finding link provided in the REFERENCES section below.

REFERENCES:

CBPWROFAQ - https://www.cbp.gov/print/369207

CBP Orders and Findings - <u>https://www.cbp.gov/trade/programs-administration/forced-labor/withhold-release-orders-and-findings</u>

Regulatory Alert - U.S. Customs Withhold Release Order on Certain Products from China-<u>https://www.fedex.com/content/dam/fedex/us-united-</u> <u>states/International/images/2021/RegAlert_21-</u> 047 U.S. Customs Withhold Release Order on Certain Products from China.pdf

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