



Regulatory Alerts & Updates

Regulatory Alert: Presidential Proclamation to Modify the Harmonized Tariff Schedule of the United States

December 29, 2021

BACKGROUND

The White House released “A Proclamation to Modify the Harmonized Tariff Schedule of the United States and for Other Purposes” on December 23, 2021.

The primary objective for the proclamation was to explain the amended tariff schedule implementing the five-year update to the World Customs Organization’s Harmonized System (HS) tariff nomenclature. The HS governs classification for most countries at the six-digit level, and each HS Convention member then sets eight-digit and 10-digit changes to their own tariff schedules.

WHAT HAS CHANGED?

The proclamation makes changes on many various trade agreements as well as in the tariff schedule provisions on Section 301 tariffs in order to conform to the changes elsewhere in the HTS.

The proclamation also removes Ethiopia, Guinea, and Mali as African Growth and Opportunity Act (AGOA) beneficiaries, saying the three countries do not meet AGOA requirements. Unlike the other changes in the proclamation, the removal of these countries from AGOA takes effect Jan. 1.

The complete list of changes is described in the December 5240 Report released by the U.S. International Trade Commission and provided in the REFERENCES section below.

Q & A

Q 1 – When will U.S. Customs and Border Protection (CBP) actively enforce the new HTS changes detailed in the Proclamation?

A 1 – It depends. Some of the changes to the USHTS (Annexes I and II) will become effective 30 days after the proclamation is published in the Federal Register. The Proclamation was published on December 28, 2021. Therefore, the effective date is January 27, 2022. CBP will use the 2021 USHTS until January 27, 2022. Other changes, like Annexes VI (certain goods of Columbia) , VII (certain goods of Panama) and IX (certain goods of Israel) all start on January 1, 2022. The complete list of dates for the changes can be found at the beginning of each Annex in the December 5240 Report.

Q 2 – Do the changes impact any specific HS Chapters more than other chapters?

A 2 – HS Chapters 44, 84, and 85 seem to have a large number of changes in the 2021 update.

REFERENCES

Dec. 28, 2021 Presidential Proclamation –

<https://www.federalregister.gov/documents/2021/12/28/2021-28334/to-modify-the-harmonized-tariff-schedule-of-the-united-states-and-for-other-purposes>

December 2021 U.S. International Trade Commission Publication 5240 -

https://www.usitc.gov/publications/tariff_affairs/pub5240.pdf

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