



Global Trade Advisory Alert

Update on US global trade regulatory developments in response to COVID-19

The coronavirus (COVID-19) pandemic is affecting all elements of society, including global trade. In recent days, several US Government agencies that regulate various aspects of global trade in the US have issued guidance and taken various actions impacting the importation of goods, as described below.

US Customs and Border Protection (CBP)

- After initially indicating on 20 March 2020 that it would consider, on a case-by-case basis, requests to provide up to one week of additional time for importers to pay duties and fees during the ongoing COVID-19 pandemic, CBP reversed course on 26 March 2020, indicating that CBP would no longer accept such requests, but would retain the right to allow additional days for narrow circumstances, including a physical inability to file entries or

make payments due to technology outages or port closures.

- CBP officials have further indicated that they are working more broadly with the federal government and industry with respect to identifying mechanisms to manage the operational impacts of COVID-19.
- CBP has further clarified that the various US restrictions implemented in March 2020 on the movement of people into the US do not apply to cargo movements into the US. Also, CBP has messaged that it does not expect any reduction in service due to the COVID-19 pandemic, and CBP activities are all moving forward as per usual operations.

US Trade Representative (USTR)

- On 25 March 2020, the USTR announced that it is seeking comments on medical care products on Lists 1 and 2 of the Section 301 supplemental tariffs that should be considered for exemption from the Section 301 tariffs in response to the COVID-19 pandemic. Each request must specifically identify the product of concern and explain how the product relates to the response to the COVID-19 outbreak. Comments will be accepted until at least 25 June 2020, with the possibility of that deadline being extended.
- From 10 to 26 March 2020, the USTR has issued several rounds of new product exclusions from the various lists of Section 301 supplemental tariffs on goods from China, which are currently set at 25% (Lists 1 through 3) or 15% (List 4a). The products affected include various healthcare-related articles such as laboratory wear, medical gloves of rubber and natural rubber, toilet paper, surgical drapes, disposable graduated medicine dispensing cups of plastics, pads of foam plastics, single-use sterile drapes and covers of plastic, cold packs, single use face masks, disposable medical rubber gloves, plastic articles of apparel, plastic bags, and nonwoven man-made fabrics.

US Food and Drug Administration (FDA)

- On 23 March 2020, the FDA issued guidance on the importation of personal protective equipment (“PPE”) and certain medical devices. Specifically, the FDA has instructed importers as follows with respect to the transmittal of information to the FDA:
 1. Non-FDA-regulated, general purpose PPE (e.g., masks, respirators, gloves, etc., for general purpose or industrial use) should not be transmitted to the FDA.
 2. Products regulated by the FDA and authorized for emergency use pursuant to an Emergency Use Authorization (EUA) should be transmitted to the FDA, but the amount of information required is reduced. At the time of entry, importers should transmit an Intended Use Code of 940.000 (Compassionate Use/Emergency Use) and an appropriate FDA product code. The product codes that are currently authorized by an EUA include:
 - Diagnostic tests: QPK, OTG, QKO, QJR
 - Masks/Respirators: NZJ
 3. Entry information on products regulated by the FDA as a device that are not authorized by an EUA should be submitted to the FDA using an Intended Use Code of 081.006 (enforcement discretion per final guidance) and an appropriate DA product code.

How We Can Help

The information presented herein is intended as a high-level indicator of US global trade regulatory measures introduced in response to the Covid-19 pandemic. It reflects the position as of the date of this alert, but developments are quickly evolving, and measures taken by the US Government may change on short notice. Accordingly, the information presented herein should be considered directional,

and any use you make of the information is at your own risk. For further details and current information or advice, please contact your Deloitte Global Trade Advisory specialist, or one of the contacts named below. Our professionals can help companies seeking to manage the current and potential impacts of the developments described above.

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