



**U.S. Customs and
Border Protection**

APR 20 2018

APP-7 OT:TPP:TA SM

MEMORANDUM FOR: Directors, Field Operations

FROM: John P. Leonard
Executive Director
Trade Policy and Programs
Office of Trade

A handwritten signature in black ink that reads "John P. Leonard".

SUBJECT: GUIDANCE: Renewal of the Generalized System of Preferences (GSP)

BACKGROUND

On Friday, March 23, 2018, the President signed into law H.R. 1625 (Public Law 115-141), the "Consolidated Appropriations Act, 2018," which in addition to providing full-year federal appropriations through September 30, 2018, extended GSP with retroactivity, for goods entered or withdrawn from warehouse for consumption from January 1, 2018 through December 31, 2020. The new law, effective April 22, 2018, also provided for the retroactive refund of all duties (without interest) to the importer of record (IOR) on GSP-eligible goods entered during the January 1, 2018 through April 21, 2018 lapse period.

Importers should continue to flag GSP-eligible importations with the Special Program Indicator (SPI) "A" and pay normal trade relations (column 1) duty rates until the effective date of the Act, April 22, 2018, at which time Automated Commercial Environment (ACE) programming will obviate the duty payment.

GSP Retroactive Refund

GSP-eligible formal and informal entries summaries filed electronically via the Automated Broker Interface (ABI) using SPI "A" as a prefix to the tariff number will be processed automatically by U.S. Customs and Border Protection (CBP) and no further action by the filer is required to initiate the refund process.

GSP-eligible Non-ABI filers, and ABI filers that did not include SPI "A" on the entry summary may submit a duty refund request to CBP no later than September 19, 2018. For more information on refund requests, see Post Summary Correction (PSC) instructions below.

To facilitate expeditious refund processing, importers should insure that their mailing address is up-to-date in ACE, to include the Automated Clearinghouse (ACH) number, for ACH program participants.

Phased GSP Refund Processing

CBP will be processing GSP claims in three phases, as follows:

- **Phase 1:** The Trade Transformation Office (TTO) will batch process all GSP entry summaries submitted during the lapse period with the SPI "A". Barring unforeseen matters, importers should receive all such refunds by mid-July 2018.

- **Phase 2:** CBP HQ will distribute spreadsheets to Field personnel for the manual processing of those entry summaries that could not be batch processed (AD/CVD, Section 232, other). These spreadsheets will cover importations with the following characteristics:
 - If AD/CVD and GSP are on the same line, then no GSP refund will be issued until the AD/CVD liquidation order has been issued.
 - If AD/CVD and GSP are on different entry lines, then the GSP administrative refund should be processed manually by the field.
 - If Section 232 duties and GSP are on the same entry line, then no GSP refund will be issued, issued since 19 USC 2463(b)(2) precludes GSP program benefits accruing to Section 232 goods (see below for more information).
 - If Section 232 and GSP are on different entry lines, then the GSP administrative refund should be processed manually.

- **Phase 3:** Importer-initiated claims for which the SPI "A" was not flagged at entry summary, but requested in accordance with the following post-summary correction claim instructions, will be processed by Field personnel after the completion of Phase 1.

Post Summary Correction GSP Claims for Importations during the Lapse

- Importers have until September 19, 2018 to submit post-importation GSP claims for goods imported during the GSP lapse on which the SPI "A" was not transmitted at entry summary.
- GSP refund requests should be submitted as PSCs. If an entry has already liquidated, the refund request should be submitted as a protest.
- GSP refund requests for importations made during the lapse but submitted subsequent to September 19, 2018 will be denied.
- An importer's failure to submit a post-importation GSP claim on or before September 19, 2018 will not be remediable via protest.

GSP Goods Subject to Section 232 Duties (aluminum and steel)

- As of March 23, 2018, GSP-eligible goods that are subject to Section 232 duties may not receive GSP duty preference in accordance with 19 USC 2463(b)(2).
- On imports subject to Section 232 duties, importers should pay the normal trade relations (column 1) duty rates and not submit the GSP Special Program Indicator (SPI) "A".

- Although Brazil and Argentina are GSP countries, they are exempt from Section 232 per the Harmonized Tariff Schedule of the United States (HTSUS) Chapter 99, Subchapter III, U.S. Notes 16(a) and 19(a); therefore they may claim GSP.
- For importations during the lapse, see *Phased GSP Refund Processing, Phase 2*, above.

Post-Importation GSP Claims on Importations Prior to Expiration

Importations made on or before December 31, 2017, remain unaffected by the aforementioned instructions. Importers may continue to make post-importation GSP claims in accordance with applicable PSC and protest procedures (19 USC 1514, 19 CFR 174).

GSP Mail Entry Refunds

The addressees on mail entries made during the lapse period must request a refund of GSP duties in writing, along with a copy of the CBP Form 3419A, to the appropriate International Mail Branch (address listed on bottom right hand corner of CBP Form 3419A). It is essential that a copy of the CBP Form 3419A be included, as this is the only means of identifying whether GSP goods have been entered and the estimated duties and fees paid.

African Growth and Opportunity Act (AGOA) and ACE Programming of SPI "A"

The expiration and subsequent reauthorization of GSP has no effect on goods entered under the African Growth and Opportunity Act (AGOA). Although ACE programming currently allows the submission of AGOA claims with either SPI "A" or "D," future ACE functionality will limit AGOA claims to SPI "D".

Copies of this memorandum should be made available to Center Directors, Port Directors, Assistant Port Directors, Assistant Center Directors, Import Specialists, Entry Specialists, Importers, Brokers, and other interested parties.

Questions with respect to entry summary and refund processing, PSC, protest, formal or informal entries, should be directed to Commercial Operations, Revenue and Entry Division (CORE) at otentrysummary@cbp.dhs.gov.

Questions with respect to GSP or AGOA eligibility, and other questions with respect to this correspondence, should be directed to the Trade Agreements Branch at fta@dhs.gov.

Additional information and useful links are available on CBP's GSP page at <https://www.cbp.gov/trade/priority-issues/trade-agreements/special-trade-legislation/generalized-system-preferences>.

cc: Assistant Directors, Field Operations
Director, Trade Operations Division
OFO-Trade Operations