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A LAW FIRM SERVING A DIVERSE CLIENTELE IN IMPORT, EXPORT, FOREIGN-TRADE ZONE, AND INTERNATIONAL TRADE LAW.

IMPLEMENTATION OF ADDITIONAL SECTION 301 DUTIES ON CHINESE PRODUCTS (LIST 3)

President Trump <u>announced</u> on Monday evening September 17 the imposition of 10% tariffs on \$200 billion imports of Chinese products effective Monday, September 24. On January 1, the rate will rise to 25%.

President Trump also indicated that if China takes retaliatory action he would immediately pursue phase four which would add tariffs on approximately \$267 billion worth of additional imports from China. This morning China initiated retaliation on \$60 billion of U.S. products so it is anticipated that the Trump Administration will announce additional China 301 Tariffs.

The U.S. Trade Representative (USTR) <u>statement</u> includes the final China Section List 3 applying 10% tariffs to 5,745 full or partial tariff items of the original 6,031 tariff provisions on the original, proposed List 3 of Chinese products announced on July 10. The final List 3 of the 5,745 tariff items is available <u>here</u>. Part 2 of List 3 limits the scope of products covered under 11 8-digit tariff provisions in order to remove smart watches, Bluetooth devices, and other products from the additional tariffs.

Clients using FTZs should examine their current operations carefully and identify the financial impact. Privileged Foreign (PF) status will likely be required for subject foreign-trade zone (FTZ) admissions beginning September 24, and clients should be taking action to minimize or avoid liability by using PF status on on-hand inventory, filing entry on inventory, etc., prior to that date. The precise actions are very fact-specific.

Clients should be reviewing shipments to determine if entry can be filed before September 24.

Questions regarding the Section 301 List 3 and its impact should be directed to <u>Marshall Miller</u>, <u>Sean Murray</u>, <u>Brian Murphy</u> or <u>Linda King</u>.

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