



REDUCTION IN CHINA SECTION 301 LIST 4A DUTY RATE JANUARY 16, 2020

On January 16, the U.S. Trade Representative (USTR) [announced](#) a reduction in the China Section 301 List 4A duties from 15% to 7.5% effective February 14, 2020. The reduction is in response to the signing of a “Phase One” agreement between the U.S. and China, the full text of which is available [here](#). The agreement covers intellectual property, technology transfer, agriculture, financial services, and Chinese commitments to purchase various goods and services.

Clients may consider delaying the filing of Customs entries of merchandise subject to China Section 301 List 4A duties until the lower rate goes into effect on February 14. Upon arrival, clients may defer entry or FTZ admission up to fifteen (15) days to take advantage of the lower duty rate. There is no specific direction on the rate of duty that applies for FTZ on-hand inventory subject to China Section 301 List 4A duties in Privileged Foreign (PF) status, which may be impacted by ACE programming issues because no new HTSUS provision was created for the reduced duty rate.

Please contact [Marshall Miller](#), [Brian Murphy](#), [Sean Murray](#), or [Ryan Thornton](#) with questions or for assistance.

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