



## TRUMP ADMINISTRATION TRADE UPDATES--JUNE 1, 2019

### INDIA GSP TERMINATION

On May 31, 2019, President Trump [terminated](#) by Presidential Proclamation India's status as a beneficiary developing country under the Generalized System of Preferences (GSP) effective June 5, 2019. The termination of India's GSP status has the following consequences:

- Goods of Indian origin will no longer qualify for special tariff treatment under the Generalized System of Preferences and will instead be subject to normal tariff rates.
- Goods of Indian origin are no longer exempted from Safeguard measures implemented on January 23, 2018 by Presidential Proclamations 9693 and 9694 concerning crystalline silicon photovoltaic (CPSV) cells and large residential washers.
- Any merchandise from India subject to these Safeguard measures admitted into a foreign-trade zone after 12:01 am on June 5, 2019 must be admitted as privileged foreign status and will be subject upon entry for consumption to the Safeguard measures. The Proclamation is silent on whether on-hand FTZ merchandise in privileged foreign status prior to June 5 preserves GSP benefits.

### TURKEY GSP TERMINATION

On May 16, 2019, President Trump [terminated](#) by Presidential Proclamation Turkey's status as a beneficiary developing country under the Generalized System of Preferences (GSP) effective May 17, 2019. The termination of Turkey's GSP status has the following consequences:

- Goods of Turkish origin will no longer qualify for special tariff treatment under the Generalized System of Preferences and will instead be subject to normal tariff rates.
- Goods of Turkish origin are no longer exempted from Safeguard measures implemented on January 23, 2018 by Presidential Proclamations 9693 and 9694 concerning crystalline silicon photovoltaic (CPSV) cells and large residential washers effective May 17, 2019.
- While not outlined in the May 16, 2019 Proclamation, President Trump's May 31, 2019 Presidential Proclamation terminating India's GSP status provides at Paragraph (6) new specific FTZ guidance on the termination of Turkey's GSP status. Merchandise from Turkey subject to these Safeguard measures admitted into a foreign-trade zone after 12:01 am on June 5, 2019 must be admitted as privileged foreign status and will be subject upon entry for consumption to the Safeguard measures. The gap period of May 17 to June 5 is not explained.
- The Proclamation is silent on whether on-hand FTZ merchandise in privileged-foreign status prior to May 17 preserves GSP status.

### CHINA LIST 3 ENTRY FILING EXTENSION

On May 31, 2019, the United States Trade Representative (USTR) [indicated](#) it intends to publish a notice in the Federal Register on China Section 301 List 3 duties exported on or before May 9. USTR will extend the amount of time exported China goods have to enter the United States from June 1, 2019 to June 15, 2019 before being subject to the increased 25% duty rate. CBP issued detailed instructions in [CSMS #19-000274](#) (May 31, 2019) on potential filing issues that should be carefully considered. Clients

are advised to enter such goods before June 15, 2019 to take advantage of the 10% duty rate. While the USTR notice and CSMS message are silent on FTZ merchandise, clients utilizing FTZs should continue to admit merchandise in privileged-foreign status to secure the 10% duty rate.

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

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