



## RUSSIA IMPORT DUTIES

- Effective April 1, the U.S. implemented 70% Column 2 duties on certain products of Russia, such as certain iron ores, chemicals, wire, and containers for compressed or liquefied gas. CSMS [#55688476](#) (March 29, 2023).
- 200% Section 232 duties apply to aluminum and derivative aluminum (1) that are products of Russia, effective March 10, 2023, and (2) with any amount of Russia-smelted primary aluminum or cast in Russia, effective April 10. Russian aluminum entered from foreign-trade zones is subject to the duties. CSMS [#55407022](#) (March 8, 2023).

## ALUMINUM SMELT & CAST

U.S. Customs and Border Protection (CBP) delayed from April 10 to May 10, implementation of the new Customs Entry Summary reporting requirements for primary and secondary countries of smelt and country of cast for aluminum and derivative aluminum articles. The reporting applies to aluminum from all countries of origin, regardless of whether Section 232 tariffs, quotas, or exclusions apply. CSMS [#55701614](#) (March 30, 2023); CSMS [#55727113](#) (April 5, 2023).

## ASSIST APPORTIONMENT

CBP has ruled that an importer cannot apportion tooling assists by applying a weighted allocation based on import value without regard to country of origin and applicability of Section 232 and 301 duties. CBP also faulted the proposed methodology for not linking the assists to specific parts or product lines. HQ [H326069](#) (Jan. 24, 2023).

## TAIWAN & U.S.

The U.S. Trade Representative (USTR) has released a [summary](#) of U.S. proposed text in its negotiations under the U.S.-Taiwan Initiative on 21st Century Trade, covering customs administration and trade facilitation, good regulatory practices, services domestic regulation, anticorruption, and SMEs.

## MADE IN CHINA 2025

The Congressional Research Service has [published](#) a new overview of China's "Made in China 2025" industrial policies. It identifies China's ten industrial priority sectors and issues for Congress.

## ORIGIN MARKING SETTLEMENT

## 2023 FIRM SEMINARS

Spring and fall training seminars will again be conducted by webinar only.

### Spring

- I/E 101 – April 18-20
- I/E 201 – April 25-27

### Fall

- FTZ 101 – October 10-12
- FTZ 201 – October 17-19
- I/E 101 – November 7-9
- I/E 201 – November 14-16

More detailed information is posted to our website. Visit our website [www.millerco.com](http://www.millerco.com) to register or contact [Kelley Randol](#). Webinars are offered to Miller & Company clients only.

## 2022 IMPORT/EXPORT REVIEW

Clients are reminded that our annual import/export record review is a great way to thoroughly understand your imports and exports. Fees range from \$3,000 to \$5,000 per IOR/EIN for the data and reports. More information is available on our [website](#). Contact us now so we can secure 2022 records as soon as possible. Contact [Brenda Zeller](#) with questions.

## FTZ COMPANY NAME CHANGES

The U.S. Foreign-Trade Zones (FTZ) Board has modified its practice for required notification and updating FTZ firm name changes in FTZ Board records. FTZ firms located in Arizona, Kentucky, Louisiana, Texas, and Puerto Rico are now required to provide the FTZ Board with certain documentation from local tax authorities confirming that they either continue with the original FTZ tax agreement or modifications before the FTZ Board will update the company's name in its records. This is required whether the name change is a simple renaming or results from a merger or acquisition. It could significantly affect tax obligations. Contact [Marshall Miller](#) with questions.

## FTZ OFIS

The firm encourages all FTZ Grantees to review and update information on their Grantee pages in the FTZ Board Office Information System (OFIS) to better serve their zone participants and communities. Please contact [Marshall Miller](#) or [Bryan Brown](#) with questions.

## MICROSOFT FINED

## AUTOS & FORCED LABOR

On March 28, Senate Finance Committee Chair Ron Wyden (D-OR) issued [letters](#) to five Tier 1 auto suppliers, requesting detailed information on how they source materials and oversee their supply chains on forced labor issues. These letters follow December 2022 letters to Ford, General Motors, Honda, Mercedes-Benz, Stellantis, Tesla, Toyota, and Volkswagen, and were prompted by reported links between Chinese Xinjiang companies and imported auto parts such as batteries, wiring, and wheels.

## CTPAT FORCED LABOR

CBP has [issued](#) a CTPAT Alert informing members of their responsibilities and available resources to identify products produced from forced labor in their supply chains.

## NEW RUSSIAN SANCTIONS

The Commerce, Treasury, and State Departments announced new Russia-related sanctions on April 12.

- The Bureau of Industry and Security (BIS) added 28 entities from China, Armenia, Malta, Russia, Singapore, Spain, Syria, Turkey, the UAE, and Uzbekistan to the Entity List. These companies, which include semiconductor and other technology firms, have attempted to evade export controls or acquired or attempted to acquire U.S.-origin items in support of Russia's military or defense industrial base. 88 Fed. Reg. [23332](#) (April 17, 2023).
- Many of these entities were also designated as military end users (MEUs), subjecting them to licensing requirements under the Russia/Belarus MEU Foreign Direct Product (FDP) Rule.
- OFAC [added](#) over 100 entities and people from various countries to its Specially Designated Nationals (SDN) List for helping Russia import critical defense technologies and access the international financial system, [including](#) a facilitation network led by sanctioned Russian billionaire Alisher Usmanov.
- OFAC [revoked](#) Russia General License (GL) 15, which had authorized transactions involving entities owned 50% or more by Usmanov that were not on OFAC's SDN List, and issued GLs 62 to 65 to authorize certain transactions.
- The State Department [sanctioned](#) two entities that support Russian indoctrination of schoolchildren and

The U.S. Department of Justice (DOJ) has [announced](#) that Danco Laboratories will pay \$765,000 to settle allegations it violated the False Claims Act by failing to pay marking duties on imported active pharmaceutical ingredient that lacked country of origin markings from 2011 to 2019. A public policy advocacy group brought the claims.

#### NEEDLE ORIGIN

CBP has affirmed a 2021 ruling that the county of origin of hypodermic safety needles is determined by the origin of the stainless steel needle or cannulae, not by the subsequent finishing operations that added plastic parts. HQ [H322967](#) (March 30, 2023).

#### DON'T LET THIS HAPPEN

Unlike CBP, BIS publishes its penalties to provide industry guidance. BIS has [released](#) a revised edition of its "Don't Let This Happen to You" publication that includes a number of recent penalties.

#### CHIPS ACT FUNDING

The National Institute of Standards and Technology (NIST) has issued a Proposed Rule to implement restrictions to prevent companies from using CHIPS Act funding for investment in assembly or research operations in China and other countries of concern. Comments are due by May 22. 88 [Fed. Reg. 17439](#) (March 23, 2023).

#### IRAN CONSPIRACY

BIS has [reached](#) a settlement agreement with Scott Communications, Inc. and Mission Communications, LLC, both of St. Ignatius, Montana. The two companies and their owner, Kenneth Scott, will lose their export privileges for 20 years. BIS accused Scott Communication of having conspired to ship radios to Iran via Jordan, withholding facts from a federal agent, failure to file Census export information, and failure to maintain export records. 88 [Fed. Reg. 19913](#) (April 4, 2023).

#### SATELLITE EXPORTS

BIS intends to loosen its restrictions on the export of satellite-related parts, equipment, and components. At a recent conference, Deputy Commerce Secretary Don Graves [indicated](#) that export license applications to Missile Technology Control Regime (MTCR) controlled countries will now be reviewed on a case-by-case basis rather than under a presumption of denial.

#### WTO FISHERIES DEAL

On April 11, the U.S. became the fourth World Trade Organization (WTO) member, and first large fishing nation, to formally [accept](#) the WTO Agreement on Fisheries Subsidies. To enter into force, the agreement requires acceptance by two-thirds of WTO members.

On April 6, the Office of Foreign Assets Control (OFAC) [announced](#) a settlement agreement with Microsoft. Microsoft agreed to pay OFAC \$2,980,265.86 for sanctions violations involving Cuba, Iran, Syria, Russia, and Ukraine. Microsoft voluntarily disclosed that it had sold products and provided services to sanctioned jurisdictions and entities and individuals on OFAC's Specially Designated Nationals (SDN) List.

#### IRAN DRONE SANCTIONS

OFAC has [added](#) 4 entities and 3 individuals to its [Specially Designated Nationals](#) (SDN) List. The additions, located in Turkey and Iran, are related to Iranian drone manufacturing.

#### WELLS FARGO SETTLEMENT

Under the terms of a [settlement](#) announced by OFAC on March 30, Wells Fargo agreed to remit \$30 million for its alleged role in providing software to a European bank that used the software to process payments from Sudan and Syria.

#### FOREIGN TRADE BARRIERS

USTR has [released](#) the 2023 National Trade Estimate on Foreign Trade Barriers. It provides a comprehensive review of 14 categories of foreign barriers to U.S. exports of goods and services, U.S. foreign direct investment, and U.S. electronic commerce in key export markets. China-related barriers account for over 10 percent of the report.

#### BOYCOTTING COUNTRIES

The Treasury Department has released its annual list of countries that regularly cooperate with boycotts not recognized by the U.S. The countries are Iraq, Kuwait, Lebanon, Qatar Saudi Arabia, Syria, and Yemen. 88 [Fed. Reg. 21234](#) (April 10, 2023).

#### BROKER CYBERSECURITY

CBP has published cyber incidence guidance with best practices for customs brokers on how to prepare for and respond to a cyber-attack, including a reminder that 19 C.F.R. § 111.21(b) requires notifying CBP within 72 hours of a breach of customs business records. CSMS [#55845515](#) (April 10, 2023).

#### ITAR OPEN GLS

The Directorate of Defense Trade Controls has [updated](#) and extended the validity period for Open General Licenses 1 (Qualifying Retransfers with Australia, Canada, and the UK) and 2 (Qualifying Reexports amongst Australia, Canada, and the UK) to July 26, 2026.

#### INTEREST AND DISCLOSURES

The CIT has ruled that CBP does not owe interest on duty overpayments tendered by an importer with a Prior Disclosure on finally-liquidated entries. [Otter Products, LLC v. U.S.](#), CIT Slip Op. [23-43](#) (March 29, 2023).

Designated several entities operating in the Russian defense sector, including a Chinese firm that has provided satellite imagery of Ukraine. Contact [Sean Murray](#), [Bryan Brown](#), or [Chuck Ballard](#) with questions.

#### JAPAN CRITICAL MINERALS

The U.S. and Japan have [signed](#) a critical minerals agreement. The agreement includes measures to address and share information on non-market policies and labor rights of other countries.

#### ELECTRIC VEHICLE CONTENT

The Internal Revenue Service (IRS) has published a Proposed Rule on the federal income tax credit under the Inflation Reduction Act of 2022 for the purchase of qualifying new plug-in electric and fuel cell vehicles that includes: (a) qualifying percentages of critical minerals extracted or processed in the U.S. or free trade agreement countries (including Japan) or recycled in North America; and (b) the value of battery components manufactured or assembled in North America. Comments are due by June 16. 88 [Fed. Reg. 23370](#) (April 17, 2023).

#### STATUTE OF LIMITATIONS

In a ruling on a motion to dismiss, the U.S. Court of International Trade (CIT) has confirmed that the statute of limitations for Section 1592 negligence civil penalty actions runs from the date of entry. [U.S. v. Zhe "John" Liu, et al.](#), CIT Slip Op. [23-44](#) (March 31, 2023).

#### SECTIONS 232 & 301 REPORT

The U.S. International Trade Commission (ITC) has issued a 315-page report on the economic impact of Section 232 steel and aluminum and China Section 301 tariffs on U.S. industries. Among the highlights, the ITC confirmed many importers largely absorbed higher import prices through decreased profit margins without substantial increases to consumer prices. ITC Pub. [5405](#) (March 30, 2023).

#### IRAN SANCTIONS VIOLATIONS

The DOJ has [announced](#) that a U.S. citizen has been sentenced to four years in prison for violating OFAC sanctions and providing financial support to Iranian intelligence assets who intended to kidnap an Iranian human rights activist living in the U.S.

#### FTZ STATISTICS

##### FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 4/15/2023

Zones	Approved
Subzones*	300
	882
	Pending
Zones	2
Subzones	7
Misc.	33

\*From [Fed. Reg. Notices](#)

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