



DE MINIMIS CHANGES

U.S. Customs and Border Protection (CBP) has issued a lengthy Proposed Rule that would revise the Entry Type 86 entry process for low-value shipments (\leq \$800) to require the submission of additional data elements, expand manifest data requirements, and preclude the use of the entry process for the day if the aggregate fair retail value of all shipments imported by one person in the day exceeds \$800. The proposed changes retain the entry process for shipments subject to other government agency requirements. Comments are due by March 17. 90 Fed. Reg. [3048](#) (Jan. 14, 2025).

JANUARY 1 CHINA 301

CBP has issued an administrative message summarizing the previously [announced](#) China Section 301 duty increases for certain China tungsten products (25%), solar wafers (50%), and polysilicon (50%) that went into effect on January 1, 2025. CSMS [#63577329](#) (Dec. 31, 2024). We [confirmed](#) recognition of Privileged Foreign (PF) status for on-hand foreign-trade zone (FTZ) inventory.

UFLPA ENTITY LIST

Effective January 15, the Department of Homeland Security (DHS) has added 37 China-based companies to the Uyghur Forced Labor Prevention Act (UFLPA) Entity List. The list now includes 144 entities. Importers should be screening suppliers against the list because goods produced by these entities are subject to a rebuttable presumption that they are prohibited from Customs entry. CSMS [#63743803](#) (Jan. 14, 2025).

DOD CHINA LIST

The Department of Defense has [issued](#) its annual list of Chinese companies with ties to the Chinese military. Tech company Tencent Holdings, shipping company COSCO, and battery maker CATL were added to the list. Contact [Sean Murray](#) with questions. 90 Fed. Reg. [1105](#) (Jan. 7, 2025).

CHINA 301 SEMICONDUCTORS

The U.S. Trade Representative (USTR) has initiated a Section 301 investigation into China's acts, policies, and practices related to targeting its semiconductor industry for domestic and global market

2025 FIRM SEMINARS

We will be offering the following Spring training seminars in person at our Kansas City office:

- FTZ 101 – March 25
- FTZ 201 – March 26
- Import/Export 101 – April 29
- Import/Export 201 – April 30

More detailed information will be posted to our website shortly. Seminars are offered to Miller & Company clients only.

2025 SCHEDULE B

On January 2, the U.S. Census Bureau [updated](#) the Schedule B and Harmonized Tariff Schedule (HTS) in the Automated Export System (AES) to reflect the changes for 2025. AES will accept outdated codes over a 30-day grace period before issuing fatal error messages.

HTSUS COMMENTS

The U.S. International Trade Commission (ITC) is seeking input on improving the presentation of the Harmonized Tariff Schedule of the United States (HTSUS). In 2015, the ITC deployed a document-oriented database application to maintain the HTSUS. Suggestions to improve or replace the existing application are being accepted through February 7. 90 Fed. Reg. [1545](#) (Jan. 8, 2025).

BIS AI CONTROLS

On January 13, the Bureau of Industry and Security (BIS) issued a 168-page Interim Final Rule that revises export controls on advanced computer chips, adds new controls on artificial intelligence (AI) model weights, adds a new license exception, and updates the Validated End User (VEU) authorization for data centers. Most provisions have a May 15 effective date. Comments are requested by May 15. AI industry members have already strongly criticized the new rule. 90 Fed. Reg. [4544](#) (Jan. 15, 2025).

ADVANCED CHIP CONTROLS

On January 15, BIS [issued](#) an Interim Final Rule that increases license requirements, implements additional due diligence measures, and makes clarifying amendments to controls on advanced semiconductors. Among the specific changes, the Interim Final Rule revises ECCN 3A090 and other ECCNs, adds reporting requirements

TRUMP TRADE

• The Trump Administration is expected to announce Customs duty increases soon after the January 20 inauguration. Clients should be preparing duty mitigation strategies, including potentially expediting Customs entry for imports, filing a separate Weekly Entry, or changing the zone status of on-hand foreign-trade zone (FTZ) inventory to Privileged Foreign (PF). See our recent "What's New" client [notice](#) with additional details.

• President-elect Trump has proposed a new federal agency, the External Revenue Service (ERS), that would be under the Treasury Department. The goal is to replace the CBP tariff collection function with a new agency that collects tariffs from foreign governments and firms. The concept has no global government parallel for structuring tariff collections. We expect no immediate changes to the current process. Contact [Marshall Miller](#) with questions.

CPSC eFILING

The Consumer Product Safety Commission (CPSC) has issued its long-awaited Final Rule on electronic filing (eFiling) requirements. All covered CPSC-regulated consumer products must begin eFiling on July 8, 2026. Articles admitted into an FTZ and subsequently entered have a phased-in January 8, 2027 effective date. Clients are strongly encouraged to proactively assess the impact of these new eFiling requirements and ensure they can satisfy the detailed PGA Message Set [eFiling](#) requirements. FTZs present unique CPSC declaration challenges, and clients should consider managing FTZ CPSC inventory by lot number. Contact [Marshall Miller](#) or [Brian Murphy](#) with questions. 90 Fed. Reg. [1800](#) (Jan. 8, 2025).

RUSSIAN ENERGY

On January 10, the U.S. [Treasury](#) and [State](#) Departments announced additional sanctions on Russia's energy sector to reduce Russian energy revenues. The new Treasury (OFAC) sanctions target two major Russian oil producers (Gazprom Neft and Surgutneftegas), 183 tanker vessels, and over 150 oil traders, oilfield service providers, insurance companies, and Russian energy officials. The State Department is blocking two liquefied natural gas

dominance, market share targets, activities of state-owned and controlled enterprises, wage-suppressing labor practices, state financial support for industry, forced technology transfer, and state-directed cyber intrusions and cybertheft of intellectual property. The investigation will initially focus on Chinese manufacturing of foundational semiconductors, including their incorporation into downstream products for critical industries, and China wafer production. The USTR has requested comments by February 5 and solicited requests to appear at a public hearing scheduled for March 11-12. 89 Fed. Reg. [106725](#) (Dec. 30, 2024).

CAFC 301 CASE

On January 8, the U.S. Court of Appeals for the Federal Circuit (CAFC) heard [oral arguments](#) in the [HMTX Industries v. U.S.](#) case over whether the Trump Administration correctly implemented the Section 301 additional China duties on List 3 and List 4 products. The CAFC decision is not expected to be issued for several months. Contact [Brian Murphy](#) or [Sean Murray](#) with questions.

FDA ACE UPDATE

The U.S. Food and Drug Administration (FDA) has issued version 2.5.12 of its ACE Supplemental Guide. The update makes Intended Use Codes (IUCs) mandatory for certain additional cosmetics, ceramicware and food contact substances, pharmaceutical necessities, containers, inactive pharmaceutical ingredients and excipients, and veterinary medical devices. There are also changes to IUCs for human drugs and medical devices. The changes were implemented in the ACE Certification environment on December 16 and will be deployed in Production on February 1. Starting March 1, ACE will generate rejects to the trade in accordance with these changes. CSMS #[63443664](#) (Dec. 18, 2024); CSMS #[63658882](#) (Jan. 8, 2025).

UAS CONTROLS

BIS has [issued](#) an advance notice of a proposed rulemaking involving controls on unmanned aircraft systems (UAS). BIS is seeking comments on the definition or scope of UAS, risks associated with foreign adversary information and communications technology and services (ICTS) integral to UAS, supply chain threats posed by foreign adversaries, and UAS capabilities that foreign adversaries could exploit. Comments are due by March 4. 90 Fed. Reg. [271](#) (Jan. 3, 2025).

OFAC & LEGAL SERVICES

OFAC has adopted a Final Rule to update general licenses authorizing payments for legal services from funds originating outside the U.S. This replaces the reporting requirement in general licenses with

for “front-end fabricators,” adds lists of approved and authorized integrated circuit designers and outsourced semiconductor assembly and test (OSAT) companies, and revises new license exceptions Artificial Intelligence Authorization (AIA) and Advanced Compute Manufacturing (ACM). Comments are due by March 14. Contact [Sean Murray](#) with questions.

TECH CO ENTITY LISTINGS

BIS announced two separate Final Rules on January 15 that added companies to the Entity List. The [first rule](#) added 11 Chinese companies that are engaged in the development of advanced artificial intelligence and advanced node semiconductor fabrication. The [second rule](#) added 16 companies from China and Singapore that are developing advanced integrated circuits with military, Chinese public security, and diversion concerns.

CONNECTED VEHICLES

BIS has [announced](#) a Final Rule, effective March 15, that prohibits the import and sale of passenger vehicles containing vehicle connectivity system (VCS) or automated driving system (ADS) software, and the importation of VCS hardware, with a “sufficient nexus” to China or Russia.

SYRIA CHANGES

In response to the changing government in Syria, the Office of Foreign Assets Control (OFAC) has [issued](#) a [general license](#) that authorizes certain transactions involving the government, energy, and personal remittances. OFAC has also released eight new Frequently Asked Questions ([FAQs](#)) that provide additional explanation.

MEXICO TEXTILE & APPAREL

On December 19, the Mexican President issued a [decree](#), effective December 20, that increases import duties to 35% on certain apparel and made-up textile articles and to 15% on certain textiles, and excludes certain finished apparel classified in HTS Chapters 61, 62, 63 and bedding classified in HTS subheadings 9404.40 and 9404.90 from temporary importation under the Industry for Manufacturing, Maquiladora, and Export Services (IMMEX) maquiladora program. This immediately impacted entities relying on Mexican warehouses to ship apparel to the U.S. under the U.S. Section 321 *de minimis* law. Mexico has since established a petition [process](#) which may provide some relief.

NEW AES FATAL ERROR

On December 30, Census [announced](#) that a new fatal error would occur in the Automated Export System (AES) when an exporter exports an article classified in International Traffic in Arms Regulations (ITAR) Category XXI unless the Directorate of Defense Trade Controls (DDTC) Determination Number is included in the AES information.

(LNG) projects, a large Russian oil project, and Indian, Chinese, and other entities supporting Russian energy exports. The State Department also designated additional companies in Russia’s metals and mining industries, thereby blocking transactions with them. Contact [Sean Murray](#) or [Chuck Ballard](#) with questions.

RUSSIA DUE DILIGENCE

• On December 23, BIS [announced](#) a \$180,000 civil penalty against Indium Corporation of Clinton, New York for unlicensed shipments to Russia of solder materials used in electronics manufacturing. The solder materials are classified EAR99, but require a license for export to Russia because their Harmonized Tariff Schedule (HTS) classifications are included in Supplement No. 5 to 15 C.F.R. Part 746. The penalty amount is approximately twice the value of the subject exports. BIS states that Indium disregarded red flags throughout the transactions, which involved parties later added to the Specially Designated Nationals (SDN) List.

• On December 18, BIS [announced](#) a settlement agreement with Integra Technologies of El Segundo, California whereby Integra has agreed to pay a civil penalty of \$3.3 million related to shipments to Russia of transistors and related products that can be used for avionics and radar systems. Integra shipped the items to Russia without the required BIS authorization, and some shipments occurred after the items were designated Common High Priority List (CHPL) items by the U.S., UK, EU, and Japan. Integra submitted a voluntary self-disclosure (VSD), which significantly reduced the penalty.

• Clients are reminded to screen sales and shipments not just for ECCN-based export controls, but also against the CHPL and HTS-based lists in 15 C.F.R. Part 746 when they involve or potentially involve Russia. Contact [Sean Murray](#) and [Chuck Ballard](#) with questions.

NO RUSSIA CLAUSE

On January 7, the British government [issued](#) guidance that exporters and distributors of Common High Priority items and other critical items for the Russian defense industry include a “no re-export to Russia” clause in contracts. The guidance includes sample clause text. The EU previously directed the use of “no Russia” clauses in some circumstances. Contact [Sean Murray](#) with questions.

IRAN EXPORT VIOLATIONS

A dual U.S.-Iranian resident and an Iranian resident have been [charged](#) in U.S. federal court with conspiring to export sophisticated electronic components to Iran in violation of U.S. export controls and sanctions.

SDN & RUSSIA

On December 31, OFAC [announced](#)

a recordkeeping requirement. 89 Fed. Reg. [103641](#) (Dec. 19, 2024).

PROPOSED NMFS REGS

The National Marine Fisheries Service (NMFS) has issued a Proposed Rule to allow electronic entry filing of data from the Certification of Admissibility form. The Proposed Rule would standardize and consolidate reporting, permitting, recordkeeping, and entry requirements. Comments on the Proposed Rule will be accepted until February 18. 89 Fed. Reg. [102091](#) (Dec. 17, 2024); CSMS #[63428035](#) (Dec 17, 2024).

CBERA REPORT

The U.S. International Trade Commission is preparing its 2025 report on the economic impact of the Caribbean Basin Economic Recovery Act (CBERA) and has scheduled a public hearing for February 20. Requests to appear at the hearing are due by February 5. 90 Fed. Reg. [3921](#) (Jan. 15, 2025).

RAIL MANIFEST

CBP has released a lengthy Proposed Rule with detailed requirements for the electronic submission of manifest information for rail cargo exports. The Proposed Rule requires an initial export data filing of at least seven data elements no less than 24 hours prior to train departure from export port and supplemental data filing 2 hours prior to departure. Comments are due by March 14. 90 Fed. Reg. [2874](#) (Jan. 13, 2025).

HAITI HOPE

The U.S. International Trade Administration (ITA) has announced new annual quantitative limits for duty-free treatment of apparel assembled in Haiti under the Haitian Hemispheric Opportunity Through Partnership Encouragement Act (HOPE). 89 Fed. Reg. [103777](#) (Dec. 19, 2024).

a settlement agreement with Sky Geek, a New York aviation parts supplier. Sky Geek was accused of shipping parts to Russia via a Specially Designated National (SDN) in the United Arab Emirates. Under terms of the settlement, Sky Geek agreed to remit \$22,172.

BOYCOTT LIST

On December 30, BIS [published](#) its quarterly update to the Boycott Requester List. This list is not a restricted parties list, but is to put U.S. persons on notice of parties that are more likely to make reportable boycott-related requests.

FTZ STATISTICS FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 1/15/2025

| Approved | |
|-----------|-----|
| Zones | 309 |
| Subzones* | 895 |
| Pending | |
| Zones | 2 |
| Subzones | 12 |
| Misc. | 33 |

*From Fed. Reg. Notices

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