

I New 90-Day CBP Duty Deferral Option

By **Doreen M. Edelman** and **Andrew Bisbas**

The administration and U.S. Customs and Border Protection (CBP) recently announced a narrow 90-day duty deferral option to help companies cope with the economic effects of COVID-19. Apparently the push from members of Congress to implement some kind of duty deferral program worked, but to a limited extent: the 90-day duty deferral program is for **importers experiencing a significant financial hardship (see definition of “significant financial hardship” below)** due to the coronavirus disease (COVID-19). Furthermore, the program applies to formal entries of merchandise entered, or withdrawn from warehouse, for consumption (including entries for consumption from a Foreign Trade Zone) **in March 2020 or April 2020**.

The program is further limited in that it does not apply to any entry, or withdrawal from warehouse, for consumption, where the entry summary includes merchandise subject to one or more of the following:

- Antidumping duties,
- Countervailing duties,
- Duties assessed pursuant to Section 232 of the Trade Expansion Act of 1962,
- Duties assessed pursuant to Section 201 of the Trade Act of 1974, and
- Duties assessed pursuant to Section 301 of the Trade Act of 1974.

It is the responsibility of the importer to schedule payments accordingly and if you want to take advantage of the program. Also note that any related adjustments to April PMS’s (Periodic Monthly Statement) must be made prior to 11:59 p.m. eastern time on Monday, April 20, 2020.

Definition of Significant Financial Hardship

An importer will be considered to have a significant financial hardship if the operation of such importer is fully or partially suspended during March 2020 or April 2020 due to orders from a competent governmental authority limiting commerce, travel, or group meetings due to COVID-19, and as a result of such suspension, the gross receipts of such importer for March 13-31, 2020, or April 2020 are less than 60 percent of the gross receipts for the comparable period in 2019.

An eligible importer does not need to file documentation with CBP to be eligible for this relief but must maintain documentation as part of its books and records establishing that it meets the requirements for relief. CBP may also conduct a review of the documentation at a future date to ensure compliance with the requirements.

Contacts

Please contact the listed attorneys for further information on the matters discussed herein.

DOREEN M. EDELMAN

Partner

Chair, Global Trade & Policy

T: 202.753.3808

dedelman@lowenstein.com

ANDREW BISBAS

Associate

T: 202.753.3807

abisbas@lowenstein.com

NEW YORK

PALO ALTO

NEW JERSEY

UTAH

WASHINGTON, D.C.

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