

## **President Trump Sign Executive Order to Delay Certain Tariff Payments**

On April 19, 2020, President Trump issued an [Executive Order](#) allowing U.S. manufacturers, retailers, and other importers to defer certain tariff payments for 90 days. In general, the EO allows importers to defer the payment of “most-favored nation” tariffs (but not so-called Section 301, Section 232, or Section 201 tariffs or AD/CVDs), and importers must pass a “hardship test” to qualify.

According to a [Temporary Final Rule](#) issued to implement the Executive Order, the Treasury Department and Customs and Border Protection are moving, “to temporarily postpone the deadline for importers of record with a significant financial hardship to deposit certain estimated duties, taxes, and fees that they would ordinarily be obligated to pay as of the date of entry, or withdrawal from warehouse, for consumption, for merchandise entered in March or April 2020, for a period of 90 days from the date that the deposit would otherwise have been due but for this emergency action.”

### **Details and Applicability**

The deferment applies to levies for so-called most-favored nation duties. Most favored Nation tariffs are what countries promise to impose on imports from other members of the World Trade Organization, unless the country is part of a preferential trade agreement.

Customs and Border Protection will not return deposits of estimated duties, taxes, and fees that have already been paid.

This temporary postponement 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.

No interest will accrue for the postponed payment of such estimated duties, taxes, and fees during this 90-day postponement period. No penalty,



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liquidated damages, or other sanction will be imposed for the postponed payment of the deposit of estimated duties, taxes, and fees in accordance with this temporary postponement.

To qualify, importers must demonstrate that their operations were “fully or partially suspended during March or April 2020 due to orders from a competent governmental authority limiting commerce, travel, or group meetings because of 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.

See [Cargo Systems Messaging Service #42423171](#) for eligibility, “hardship” criteria, and general questions and [Cargo Systems Messaging Service #42421561](#) for payment instructions.

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*\*Complied with information from the U.S. Chamber of Commerce\**