

FTZ Developments

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Sharing FTZ-related News and Updates

New Minimum Security Requirements Updated in CTPAT Portal

On June 1, 2020, CBP announced that the update in the portal to reflect the new Minimum Security Criteria has been completed and the security profile is now back online and open for new submissions. Security profiles must be updated and submitted annually based on the member's Security Profile Anniversary date. For more information [click here](#).

During the NAFTAZ Legislative Summit in February 2020, CBP confirmed it is in the early stages of considering the expansion of CTPAT to include FTZ operators.

Air Cargo Screening Changes Planned for 2021

Effective June 30, 2021, international standards will require that all international air cargo carried by commercial aircraft be either screened or be received from another TSA-regulated entity that has applied security controls and/or screened the cargo. [Click here to read the FR Notice](#).

Notice of Action Section 301: France's Digital Services Tax

On December 6, 2019, USTR announced its determination that France's Digital Services Tax is unreasonable or discriminatory and burdens or restricts U.S. commerce.

On July 10, 2020, USTR determined to take action in the form of additional duties of 25% on products of France specified in Annex A. USTR further determined to **suspend application of the additional duties** for a period of up to 180 days (January 6, 2021). [See Federal Register Notice here](#).

USMCA is in Force

On July 1, 2020, the U.S.-Mexico-Canada Agreement ("USMCA") entered into force thereby superseding the North American Free Trade Agreement ("NAFTA"). For importers seeking preferential treatment under USMCA, any merchandise entered into U.S. commerce or withdrawn from warehouse into U.S. commerce on or after July 1st must meet the USMCA rules and regulations regarding qualification, certification and recordkeeping.

On July 1, 2020, U.S. Customs & Border Protection ("CBP") published an Interim Final Rule and Request for Comments. The Interim Final Rule amends the CBP regulations (19 CFR Parts 181 and 182) to implement the rules of origin provisions for preferential tariff treatment under USMCA. CBP is accepting comments on the interim regulations until August 31, 2020. See interim regulations [here](#). Please also see CBP's most recent CSMS Message #43215543 (June 30, 2020) with final implementation instructions and links to other USMCA resources [here](#).

For questions about USMCA and the impact to FTZs, please contact us.

Hong Kong Special Status Suspended

On July 14, 2020, President Trump issued an Executive Order suspending the special status of Hong Kong. This action "suspends or eliminates different and preferential treatment for Hong Kong" in the "national security, foreign policy, and economic interest of the United States". [See Executive Order here](#).

This action comes following President Trump's announcement on May 29th of the planned change in U.S. policy towards Hong Kong. During that announcement, the President cited two specific actions: first to revoke U.S. treatment of Hong Kong as a separate customs territory, which is expected to result in the extension of the Section 301 tariffs to products made in Hong Kong; and second, the U.S. will modify its controls on exports of dual-use technologies to Hong Kong.

Are Changes on the Horizon for the \$800 DeMinimis Threshold for Imports?

The Trump Administration has signaled its intention to lower the import value de minimis threshold for Section 321 shipments from \$800 to a lower value. In his testimony before Congress on June 17, 2020, USTR Robert Lighthizer highlighted the lower de minimis values maintained by other countries including \$150 in the European Union and \$7 in China. USTR Lighthizer's testimony can be [read here](#).

Recent FTZ-related Customs Rulings

On March 10, 2020, CBP issued a ruling regarding HMF refunds for vehicles admitted to an FTZ and exported. [HQ H293813](#)

On May 8, 2020, CBP issued a ruling affirming the zone status of recoverable waste produced from the manufactured of PF status materials. [HQ H310256](#)

CBP Bond Policy

CBP's bond policy was transferred from the office of Finance ("OF") to the office of Trade ("OT") in September 2019. While OF will continue to maintain operation and administration of bond policy, OT will provide necessary direction and guidance on bond policy to OF. See [CSMS #42514396](#) for contact information for OF and OT on various bond topics.

E EI Hold & Release Messages

CBP has added two (2) response messages to the AESTIR (Appendix A) in order to notify EEI filers about Hold and Release messages. The response codes are "97H" (Shipment on Hold) and "97R" (Shipment Hold Released). See [CSMS# 42588536](#) for more information.



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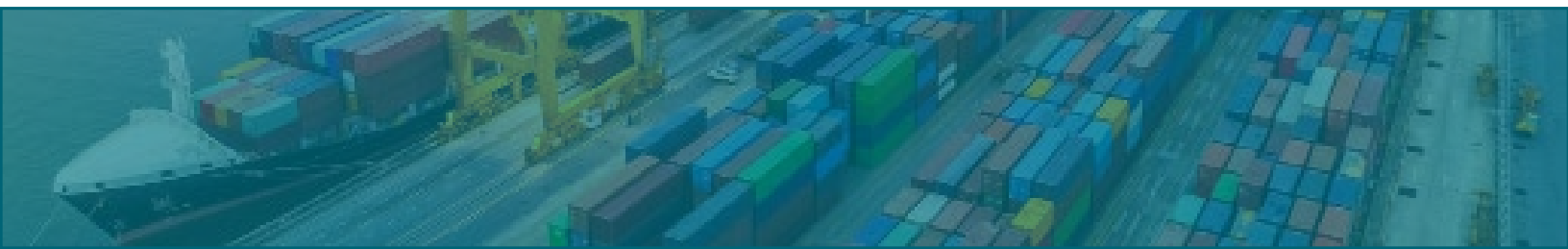
FWS: New Guidance on FTZ Requirements

On June 8, 2020 U.S. Customs and Border Protection ("CBP") sent out [CSMS #42970148](#) to inform the trade about the U.S. Fish and Wildlife Service ("FWS") Implementation Guide ("IG") being updated. The update included:

- New guidance on Foreign Trade Zone ("FTZ") requirements relating to the allowance of LPCO Number options "UNKNOWN" and "VARIOUS", in place of the FWS eDec confirmation number, explained under Section 5 (see below).
- Removal of "XX = country of origin is unknown" option from the Country Code Data Element.
- Clarification on where to enter the PG22 Record Identifier (Declaration Certification).
- Appendix 1 FWS Authorized Ports section has been deconsolidated to align with current Service Regulations under 50 CFR 14.

Section 5 – Foreign Trade Zone Requirements

FWS requires any movement of wildlife into an FTZ to be declared upon import into U.S. jurisdiction rather than upon entry into U.S. commerce. Because there are no CBP entry requirements for movement into the zone or the ability to collect a PGA Message Set at this time, the trade will continue to use FWS eDecs to electronically declare these movements directly to FWS. When goods are entered from the zone into U.S. commerce, the trade will file their FWS Message Set with the ACE entry. For HTS codes flagged as FW1, the trade will either disclaim the entry as not having required FWS declaration upon entry into the zone (disclaim code=E) or indicate prior FWS clearance of the commodities using either the eDecs confirmation number(s) or disclaim code=D for paper filings. For HTS codes flagged as FW2, trade will identify the eDecs confirmation number(s) associated with the prior import clearance by FWS. For HTS codes flagged as FW3, trade will either identify the eDecs confirmation number(s) associated with the prior import clearance by FWS, or use disclaimer code=D for those commodities previously cleared by FWS using paper. If the trade has identified multiple eDec confirmation numbers associated with the goods expected to leave the zone, "VARIOUS" may be entered as the LPCO Number (in place of the eDec confirmation number). If the trade is unable to accurately identify the eDec confirmation number(s) associated with the goods expected to leave the zone, "UNKNOWN" may be entered as the LPCO Number (in place of the eDec confirmation number). (continued on page 3)



FWS: New Guidance (Cont.)

The allowance of LPCO Number options "UNKNOWN" and "VARIOUS", in place of the FWS eDec confirmation number on Cargo Release for Type 06 entries was a tremendous success achieved in collaboration between the National Association of Foreign Trade Zones ("NAFTZ") FWS Working Group ("WG") and FWS Inspector Rhyen Tompkins. The Rockefeller Group has been an integral part of the NAFTZ's FWS WG since its creation in 2016.

Enhancement to PSC Functionality in ACE

CBP deployed an enhancement that will enable CBP users to revert a Post Summary Correction ("PSC") back to the previous Entry Summary version. When performed, this action will trigger the issuance of a status notification to trade filers. For more information see [CSMS #42613959](#)

Rockefeller Group FTZ Academy

Rockefeller Group Foreign Trade Zone Services offers a full suite of web-based FTZ administration training modules:

Module 1: Import/Export/FTZ 101

Module 2: FTZ Inventory Control & Recordkeeping Systems

Module 3: FTZ Receipts/Admission

Module 4: Handling Merchandise in an FTZ & Exceptions

Module 5: FTZ Withdrawals for U.S. Consumption

Module 6: FTZ Withdrawals for Export

Module 7: Zone-to-Zone Transfers

Module 8: Periodic FTZ Reporting

Module 9: CBP FTZ Compliance Reviews, Internal Auditing & Compliant Recordkeeping

Module 10: FTZ Considerations for 3PL Operators

Module 11: In-bond Regulations & Operational Considerations

Module 12: Common FTZ ICRS Issues

Module 13: Client's Choice (customized)

To learn more, click 'FTZ Academy' at www.rgftz.com or contact us at rgftzs@rockefellergroup.com.

ACE Report News

Since the beginning of this year, CBP has deployed additional upgrades to the information available in ACE Reports by providing access to larger universes of data, while at the same time undertaking enhancements that should decrease run times in the portal for reports and reduce the need for manual workarounds to run larger reports.

In April, enhancements were deployed to both the Entry Summary and Trade Remedy data universes, followed by enhancements to the Cargo Release Reports applications in June. Enhancements to the Cargo Release reports include the addition of Bill of Lading Number, House Bill of Lading Number, Master Bill of Lading Number, and Container Number.

ACE reports provide a useful tool for reviewing and analyzing entry data to consider potential duty savings options as well as provide a full picture of a company's import activities, which can be particularly helpful if multiple ports or brokers are used. For FTZ users, although e-214 information is not currently available, entry information for all of the outbound "06" type zone entries is accessible. Please reach out if you would like to learn more about using the ACE reports as an additional business tool.

CBP plans to continue its phased approach to the roll out of enhancements. Future developments are expected to add functionality for both FTZ e-214 admissions and Section 321 de-minimis transactions.

Additional information can be found in [CSMS #42972337](#) and [CSMS #42584902](#).

Recent CBP Messages

Please review the following recent pipeline and CSMS messages from CBP to determine how they may impact your import, export and/or FTZ operations:

[CSMS #43104221](#) - Updated ACE Development & Deployment Schedule

[CSMS #43211496](#) - Reminder - FWS Pilot Expansion

[CSMS #43324033](#) - Reminder: COVID-19 - Due Dates for Estimated Duties, Taxes, & Fees Postponed for 90 Days

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We welcome your ideas for topics. Questions or information can be sent to RGFTZS@rockefellergroup.com.

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