



Global Trade Advisory Alert

USTR modifies list of EU/UK origin items subject to supplemental Section 301 tariffs

On 12 August 2020, the US Trade Representative (“USTR”) issued a modified list of EU/UK products that, effective 1 September 2020, will be subject to supplemental tariffs of 15 to 25 percent pursuant to Section 301 of the Trade Act of 1974.

The announced modifications not only impact the original list of supplemental tariffs of 10 to 25 percent that the US began imposing on certain EU/UK products on 18 October 2019 following a World Trade Organization arbitration decision issued in the EU large civil aircraft dispute, but also impose new supplemental tariffs on EU/UK-origin products that were not previously subject to such tariffs. Specifically, the original list targeted new aircraft produced in France, Spain, Germany, and the UK, as well as a wide range of EU-origin products such as wine, cheese, agricultural goods and equipment, textiles, apparel, and certain tools. The modifications remove certain cheeses from Greece and sweet biscuits from the UK and replace them with an equivalent value of jams and processed fruits from France and Germany. The modifications also reset the supplemental tariffs to 15% for civil aircraft and 25% for all other products. The total estimated value

of products subject to the supplemental tariffs remains unchanged at \$7.5 billion.

How we can help

Deloitte's Global Trade Advisory specialists are part of a global network of professionals who can provide specialized assistance to companies in global trade matters. Our professionals can help companies seeking to manage the impacts and potential impacts of the developments described above by:

- preparing tariff exclusion requests;
- obtaining and analyzing import data to assess the potential impacts of the supplemental tariffs;
- examining supply chains and imported products to determine opportunities to manage increased costs due to the supplemental tariffs;
- conducting strategic sourcing reviews to identify potential alternative sources of affected products;
- scrutinizing the accuracy of tariff classifications;
- considering tariff engineering opportunities;
- reviewing Incoterms[®] used in contracts to confirm responsibilities for customs duty payments; and
- undertaking customs valuation planning to manage the impacts of the supplemental tariffs.

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