



Global Trade Advisory Alert

US extends Section 301 tariff exclusions period for COVID-19 treatment materials

On 5 March 2021, the Office of the US Trade Representative (“USTR”) extended, once again, the expiration date of the temporary Section 301 tariff exclusions for COVID-19 medical care products. Specifically, the latest extension of the expiration of the exclusions that were announced last year has changed from 31 March 2021 to 30 September 2021.

The extension covers 99 product exclusions and can be applied to any medical materials that match the product exclusion descriptions set forth in prior exclusion announcements. According to the USTR, this decision was made to continue the fight against the COVID-19 pandemic.

Background

On 31 December 2020, most exclusions from Section 301 tariffs on Chinese-origin goods expired, with the sole exception of Section 301 tariffs applicable to certain medical care products needed as a result of the COVID-19 pandemic. The latest extensions for COVID-19-related medical care products were decided by the new federal administration after the USTR under

the prior federal administration had extended the exclusions from 31 December 2020 to 31 March 2021.

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:

- Obtaining and analyzing import data to assess the potential impacts of the supplemental Section 301 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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