

Practice Update

UPDATED: CBP Backtracks - Will No Longer Grant Extensions for Customs-Related Payments Due to COVID-19

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Unexpectedly, on March 26, 2020, U.S. Customs and Border Protection (CBP) issued a Cargo Systems Messaging Service (CSMS) message announcing that it will no longer accept requests from importers to defer payment of duties on the basis of the COVID-19 pandemic, thus effectively backtracking on its original March 20 proposal to provide duty deferral relief to importers. In its CSMS message, CBP provided instructions for required March 27 payments, and stated that “is continuing to work with our federal and private sector partners to identify appropriate mechanisms to manage the operational impacts of COVID-19.” Akerman continues to monitor this matter and will keep you informed of any new developments.

Previously Posted on March 23, 2020

In light of the COVID-19 outbreak, U.S. Customs and Border Protection (CBP) announced on Friday, March 20, that it will approve on a case by case basis requests to extend payment of customs duties, taxes and fees. CBP is expected to provide further information on its approach at a later date. In the meantime, **parties interested in applying for an extension of time may seek specific duty deferral.**

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COVID-19 has disrupted the supply and distribution chains, has caused massive closures across many industries, and importers are certainly financially and operationally impacted. Extension of duty payments may be necessary for importers to continue to operate and support its customers and our communities, while maintaining cash flow. Obtaining duty deferral, and steps necessary to coordinate the extension, may alleviate financial burdens during this difficult time.

For companies with debit authorizations, CBP has also announced that March 20, 2020, debit authorization for the Periodic Monthly Statements and the daily statements have been forwarded to the Department of Treasury. Those seeking to prevent these funds from being withdrawn are advised to contact their financial institution.

Akerman can assist in your duty extension request. Please contact us to discuss your options.

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