

Practice Update

CBP Announces 90-Day Duty Deferral for Importers Meeting Specific COVID-19 Criteria

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Importers that can demonstrate “significant financial hardship” resulting from the COVID-19 pandemic may benefit from President Trump’s April 18 Executive Order, which authorizes the Treasury Department to grant importers an additional 90 calendar days to make payment on certain estimated customs duties, taxes and fees, subject to a specific criteria.

On April 19, U.S. Customs and Border Protection (CBP) issued two Cargo Systems Messaging Service messages announcing a 90-day payment deferral of estimated duties applicable to formal entries of merchandise entered, or withdrawn from warehouse for consumption (including Foreign Trade Zone entries) in March 2020 or April 2020. The payment postponement applies only to normal Column 1 (MFN) tariffs and *not* to entries subject to antidumping duties, countervailing duties and/or Section 201, 232 or 301 duties. Importers, however, are being authorized to split shipments into separate entries pursuant to 19 CFR § 141.52, in order to segregate potentially qualifying entries.

To qualify for the 90-day payment deferral, importers must demonstrate a “significant financial hardship” resulting from their (a) import operation “fully or partially suspended during March 2020 or

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April 2020 due to orders from a competent government authority” stemming from COVID-19, *and as a result of such suspension*, (b) “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.”

Importers are not required to apply or submit documentation to CBP to qualify for the 90-day payment deferral. However, they are required to maintain documentation supporting their eligibility for this relief. CBP has noted that it may audit compliance with the requirements in the future.

Further details on this COVID-19 duty postponement relief can be found in [CBP’s Cargo Systems Messaging Service](#), messages [#42423171](#) and [#42421561](#).

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