



Generalized System of Preferences (GSP) Due to Expire December 31, 2017 And What Importers May Need to Know If That Happens

As most importers are aware, the *Generalized System of Preferences (GSP)* program periodically expires, requiring Congressional action to remain in effect; it is currently set to expire on December 31, 2017. Although *GSP* authority may lapse before renewal, renewals that have taken effect after a lapse have also included a retroactive clause allowing for refunds of eligible goods imported during any lapse period.

To enable such refunds U.S. Customs and Border Protection (CBP) issues specific instructions for entering eligible goods during such lapse to accommodate eventual duty refunds upon the program's reinstatement. This morning, CBP posted [CSMS #17-000622](#) with those instructions and corresponding information. The specific details follow.

Special Procedures for GSP-Eligible Goods Importers should continue to flag *GSP*-eligible importations with the SPI "A," even as they pay normal trade relations (column 1) duty rates on otherwise *GSP*-eligible importations. Importers may not file SPI "A" without duties.

Programming CBP is working to have programming in place that, in the event that *GSP* is renewed with a retroactive refund clause, will allow CBP to automate the duty refund process.

Post-Importation GSP Claims Made via PSCs and Protest CBP will continue to allow post-importation *GSP* claims made via post summary correction (PSC) and protest subsequent to the expiration of *GSP*, for importations made while GSP was still in effect. CBP will not allow post-importation *GSP* claims made via PSC or protest subsequent to the expiration of *GSP*, for importations made subsequent to expiration.

African Growth and Opportunity Act (AGOA) The pending expiration of *GSP* has no effect on goods entered with African Growth and Opportunity Act (AGOA) preference. Effective January 1, 2017, the Harmonized Tariff Schedule of the United States (HTSUS) was modified so that all non-textile, AGOA-eligible tariff items indicate SPI "D" in the "Special" column. As such, since January 1, 2017, all non-textile AGOA claims have been made using the SPI "D". AGOA preference remains in effect through September 30, 2025, irrespective of any lapse in GSP.

Merchandise Processing Fee (MPF) Since the *GSP* does not provide an MPF exemption, its expiration has no impact on the collection of the MPF. Goods of least-developed beneficiary developing countries (LDBDCs) listed in HTSUS General Note 4(b)(i) maintain their MPF exemption per 19 CFR 24.23(c)(1)(iv).

Time of Entry Per 19 CFR 141.68(a)(2) & (3), time of entry can be as early as the time that the entry documents are filed, provided that the merchandise is within the port limits and such has been requested. For additional information on the significance of time of entry and how to calculate it, please see page 11 of the Informed Compliance Publication [What Every Member of the Trade Community Should Know About: Entry](#).

Extension of Liquidation Requests for the suspension of liquidation under 19 CFR 159.12 pending the pending the reinstatement of *GSP* will be denied.

Questions concerning this guidance should be directed to the Trade Agreements Branch at FTA@dhs.gov.