

Anchin Alert

Anchin, Block & Anchin LLP
Accountants and Advisors

July 9, 2015

Trade Preferences Extension Act: What Does it Mean for Your Company?

On June 30, 2015, the President signed the Trade Preferences Extension Act (“The Act”) into law. The Act will renew the Generalized System of Preferences (GSP), which provides duty-free treatment for selected goods from “beneficiary developing countries,” such as Brazil, India, etc. Eligible products from beneficiary developing countries may be entered duty-free as long as 35 percent of the value of the product originates from a beneficiary developing country.

The GSP preferential duty program expired on July 31, 2013 and The Act has set a new sunset date of December 31, 2017. The renewal will be retroactive, meaning that otherwise-eligible GSP merchandise entered between July 31, 2013, and the effective date of the law will be eligible for refunds of duty.

Since duty refunds will not be automatic, as had been the case with prior reauthorizations of GSP that occurred following lapses in the program, importers will need to file a refund “request” with U.S. Customs and Border Protection (CBP). It is anticipated that CBP will issue a notice establishing guidelines for filing refund requests. The Act confirms that such refund requests must be filed within 180 days of the effective date of the law, which will be 30 days after June 30, 2015. Refunds will be issued within 90 days of liquidation or reliquidation under The Act; interest will not be included in the refunds. Because CBP will need to review refunds encompassing nearly two years of entries, refund delays should be expected.

For more information on how this might benefit you, please contact your Anchin Relationship Partner, Marc Federbush, Practice Leader of Anchin’s Fashion Industry Group or Michael Belfer, Partner in Anchin’s Fashion Industry Group at 212.840.3456.

ANCHIN[®]

Your Expert Partner
Accountants and Advisors

Anchin, Block & Anchin LLP
Accountants and Advisors
1375 Broadway, New York, NY 10018
212.840.3456 • www.anchin.com



Anchin Alert, Copyright © 2015 Anchin Block & Anchin LLP The Anchin Alert is published periodically by Anchin, Block & Anchin LLP, Accountants & Advisors. The Alert contains articles which are general in nature and based on sources which are believed to be authoritative. Specific applications would require consideration of all facts and circumstances by qualified professionals familiar with a taxpayer and therefore we are not liable for the application of any information contained herein. No part of this correspondence may be reproduced or utilized in any form or by any means without written permission from Anchin, Block & Anchin LLP.