



Clarity About Today's Announcement Re: Duty Deferral for the Fashion Industry

There have been media reports (including Wall Street Journal & Bloomberg) indicating that President Trump may sign an executive order this week allowing the U.S. Treasury Department the authority to direct Customs and Border Protection to delay collecting Most Favored Nation (MFN) tariffs on certain imports for 90 days.

The order would not apply to Section 301 tariffs or Section 232 tariffs. Even for an apparel importer of MMF jackets, the duty of 27.2% could be subject to deferral, but the 7.5% Section 301 duty **would have to be paid at time of entry.**

Congress is putting pressure on the president to assist the companies who have warehouses full of merchandise and no customers. Importers and retailers have been lobbying for duty deferral, while some lobbying groups within the domestic industry have been working to prevent duty deferral.

There are many questions regarding an importer's Customs bond sureties and the insurance companies who may require importers to guarantee the 'deferred' duty payments, which would nullify the benefit.

Experts believe that a wait and see attitude is in order here. If you have any questions, please feel free to reach out to rwortman@gdlsk.com or 213-624-1970.

Visit: <https://www.gdlsk.com/>



California Fashion Association

444 South Flower Street, Los Angeles, California 90071 | Tel: 213 688 6288 | Fax: 213 688 6290
email: info@calfashion.org | Website: www.californiafashionassociation.org

