

CBP Now Approving Extensions of Duty Payments

Customs Alert

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On March 20, 2020, U.S. Customs and Border Protection (CBP) confirmed that, due to the severity of the COVID-19 emergency, it will approve on a case-by-case basis requests for extension of payment of estimated duties, taxes and fees due. Requests for extension may be directed to OTentrysummary@cbp.dhs.gov within the Office of Trade, Trade Policy and Programs at CBP.

CBP also confirmed that March 20, 2020 debit authorizations for the Periodic Monthly Statements and the daily statements have already been transmitted to the Department of the Treasury. Those industry members who wish to prevent these funds from being withdrawn should work directly with their financial institution.

The Global Value Chain (GVC) Impact and Analysis

What began as a supply disruption will, arguably, result in far-reaching shockwaves in the global economy. Most products are part of a GVC wherein they consist of parts manufactured worldwide and cross a number of borders before meeting their intended consumer.

In January, manufacturing plants closed in China due to COVID-19, and the immediate assumption was that these events would simply result in smaller inventories without impacting demand. Now, as COVID-19 has spread from the manufacturing areas of the globe to the intended consumers in Europe and the United States, the concerns are more focused on the resulting demand crisis. The containment measures, particularly travel restrictions, school closures and the shuttering of most non-emergency commerce in the most populous cities, will have an enormous impact on global and national trade.

Our expectation is that a fiscal stimulus coupled with tariff exemptions and more favorable trade policies must play a large role in the resolution of the crisis. Further guidance will follow.