

CBP Provides Details of Duty Deferral for COVID-19 Relief



Since the start of the *COVID-19* pandemic crisis, there have been shifting reports that the White House would impose temporary changes to duties, taxes and fees payment schedules in order to grant relief to importers.

This past weekend, an [Executive Order](#) was issued that provides up to a 90-day duty postponement to qualified importers whose entries meet select conditions.

The Details of the [CSMS Message](#) Include:

1. The relief requires that importers seeking duty deferral be suffering "significant financial hardship." This term is vague, but CBP provides guidance stating:

"An importer will be considered to have a significant financial hardship if the operation of such importer is fully or partially suspended during March 2020 or April 2020 due to orders from a competent governmental authority limiting commerce, travel, or group meetings due to COVID-19, and as a result of such suspension, the 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."



2. Certain entries paid by one-time check, daily statement or Periodic Monthly Statement are eligible for the deferral.
 - This includes formal entries of merchandise entered, or withdrawn from warehouse, for consumption (including entries for consumption from a Foreign Trade Zone).
3. Entries are not eligible for payment deferral if:
 - Duties, Taxes and Fees have already been paid.
 - Any line on the entry is subject to ADD/CVD.
 - Any line on an entry is subject to Sections 201, 232 or 301 trade remedy tariffs.
 - If an importer has a Section 232 or 301 approved exclusion prior to entry, the entry may be deferred if no other conditions apply (e.g. ADD/CVD).
4. Those importers who pay duty on period monthly statement have until **11:59 PM ET Monday, April 20th** to amend their payment date for March entries.



We encourage you to read the full [CSMS 42423171](#) message for all relevant details including instructions on how to make payment. We also want to stress the importance of adhering to previous CBP instructions from [CSMS 42421561](#) which emphasized that importers and CHBs should NOT prevent pending payment authorizations from occurring:

“Any debit authorizations that have already been submitted to CBP will be sent for withdrawal on the regular schedule. Under certain conditions, if an importer or filer realizes they do not want their account debited on the same day they transmitted the authorization, they can negate debit authorizations through the RM transaction in ACE. Authorizations submitted on a previous day have already been processed and cannot be negated.

For debit authorizations submitted a previous day for a PMS daily statement, the authorization cannot be negated, but the entry can be rescheduled for a future statement via the SU transaction in ACE.

It is important that importers and filers follow the above two options when addressing pending authorizations and refrain from requesting their financial institution prevent payment to CBP. Situations in which a financial institution prevents payment to CBP will result in bounced payments and will prevent importers/filers from paying these same statements via ACH Debit on a future date. This will cause unnecessary debit vouchers and may include the assessment of interest and liquidated damages.”

It is crucial to follow this CBP advice regarding ACH payment to having entries become "locked" and unable to be eligible for ACH payment again.

To help the trade stay up-to-date on all changes related to COVID-19 U.S. Customs has provided the [CBP COVID-19 Updates and Announcements](#) webpage as well as a [Duty Postponement FAQ](#).

You may also visit Roanoke's [COVID-19 Response](#) page for additional information and best practices regarding insurance, surety, and ATA Carnet products in this evolving environment.