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Industry News 業界新聞

US : Section 301 Tariffs on Certain Mainland Products Worth US\$50 Billion - Clarification of Application under Chapter 98 of Harmonized Tariff Schedule of the United States

The US Trade Representative (USTR) issued a Federal Register notice on 16 August 2018 releasing the finalized second set of tariff lines which contains 279 tariff lines worth approximately US\$16 billion of Mainland goods to be subject to an additional duty of 25% with effect from 23 August 2018. The USTR further issued a FR notice on 16 August 2018 specifying that the above tariff will take effect from **12:01 AM (US Eastern Standard Time) on 23 August 2018**.

USTR's notice of 16 August 2018 also provides clarification on the application of the additional tariff currently under Chapter 98 of HTSUS. Specifically, it clarifies that **the additional 25% tariff on Mainland products worth about US\$50 billion (i.e. both the US\$34 and US\$16 billion tariff lists) does not apply to goods for which entry is properly claimed under a provision of chapter 98 of the HTSUS, EXCEPT for goods entered under subheadings 9802.00.40, 9802.00.50, and 9802.00.60, and heading 9802.00.80**. For subheadings 9802.00.40, 9802.00.50, and 9802.00.60, the additional duties apply to the value of repairs, alterations, or processing performed abroad, as described in the applicable subheading. For heading 9802.00.80, the additional duties apply to the value of the article less the cost or value of such products of the US, as described in heading 9802.00.80. Description of the subheadings 9802.00.40, 9802.00.50, and 9802.00.60, and heading 9802.00.80 can be found below.

For further details, please refer to the USTR notice:

<https://www.gpo.gov/fdsys/pkg/FR-2018-08-16/pdf/2018-17709.pdf>

Inquiry: Ms Ivy Tam, Trade and Industry Department (2398 5682)

For details, please refer to the following website:

<https://www.tid.gov.hk/english/aboutus/tradecircular/cic/americas/2018/ci7872018.html>

Harmonized Tariff Schedule of the United States (2018) HTSA Revision 9

Annotated for Statistical Reporting Purposes

XXII
98-II-6

Heading/ Subheading	Stat. Suf- fix	Article Description	Unit of Quantity	Rates of Duty		
				1		2
				General	Special	
9802.00.20	00	Photographic films and dry plates manufactured in the United States (except motion-picture films to be used for commercial purposes) and exposed abroad, whether developed or not....	X.....	Free		Free
		Articles returned to the United States after having been exported to be advanced in value or improved in condition by any process of manufacture or other means: Articles exported for repairs or alterations: Repairs or alterations made pursuant to a warranty....	A duty upon the value of the repairs or alterations (see U.S. note 3 of this subchapter)	Free (AU, B, BH, C, CA, CL, CO, IL, JO, KR, MA, MX, OM, P, PA, PE, SG)	A duty upon the value of the repairs or alterations (see U.S. note 3 of this subchapter)
9802.00.40		Internal combustion engines.....	<u>1/</u>			
	201/	Other.....	<u>1/</u>			
9802.00.50	401/	Other.....	A duty upon the value of the repairs or alterations (see U.S. note 3 of this subchapter)	Free (AU, BH, CL, CO, IL, JO, KR, MA, MX, OM, P, PA, PE, SG) A duty upon the value of the repairs or alterations (see U.S. note 3 of this subchapter) (B, C, CA)	A duty upon the value of the repairs or alterations (see U.S. note 3 of this subchapter)
	102/	Articles for which duty free treatment is claimed under U.S. note 2(b) to this subchapter.....	<u>2/</u>			
		Other:				
	301/	Internal combustion engines.....	<u>1/</u>			
	601/	Other.....	<u>1/</u>			
9802.00.60	001/	Any article of metal (as defined in U.S. note 3(e) of this subchapter) manufactured in the United States or subjected to a process of manufacture in the United States, if exported for further processing, and if the exported article as processed outside the United States, or the article which results from the processing outside the United States, is returned to the United States for further processing.....	<u>1/ 3/</u>	A duty upon the value of such processing outside the United States (see U.S. note 3 of this subchapter)	Free (BH, CL, IL, JO, MA, OM, P, SG) A duty upon the value of such processing outside the United States (see U.S. note 3 of this subchapter) (AU, B, C, CA, KR, MX, PA, PE) A duty upon the full value of the imported article, less the cost or value of such products of the United States (see U.S. note 3 to this subchapter) (CO)	A duty upon the value of such processing outside the United States (see U.S. note 3 of this subchapter)

1/ See chapter 98 statistical note 2.

2/ See subchapter II statistical note 2.

3/ See subchapter II statistical note 1.

Harmonized Tariff Schedule of the United States (2018) HTSA Revision 9

Annotated for Statistical Reporting Purposes

XXII
98-II-7

Heading/ Subheading	Stat. Suf- fix	Article Description	Unit of Quantity	Rates of Duty		
				1		2
				General	Special	
9802.00.80		Articles, except goods of heading 9802.00.90 and goods imported under provisions of subchapter XIX of this chapter and goods imported under provisions of subchapter XX, assembled abroad in whole or in part of fabricated components, the product of the United States, which (a) were exported in condition ready for assembly without further fabrication, (b) have not lost their physical identity in such articles by change in form, shape or otherwise, and (c) have not been advanced in value or improved in condition abroad except by being assembled and except by operations incidental to the assembly process such as cleaning, lubricating and painting.....		A duty upon the full value of the imported article, less the cost or value of such products of the United States (see U.S. Note 4 of this subchapter)	Free (BH, CL, CO, IL, JO, KR, P, PA, SG) A duty upon the full value of the imported article, less the cost or value of such products of the United States (see U.S. note 4 of this subchapter) (AU, B, C, CA, E, MX, OM, PE) A duty upon the full value of the imported article, less the cost or value of such products of the United States (MA)	A duty upon the full value of the imported article, less the cost or value of such products of the United States (see U.S. note 4 of this subchapter)
	15 1/	Articles eligible pursuant to bilateral textile agreements for entry under a Special Access Program and entered in compliance with procedures established by the Committee for the Implementation of Textile Agreements (CITA).....	1/ 2/			
	16 1/	Articles eligible pursuant to bilateral textile agreements for entry under the Outward Processing Programs and entered in compliance with procedures established by the Committee for the Implementation of Textile Agreements (CITA).....	1/ 2/			
	40 3/	Articles for which duty free treatment is claimed under U.S. note 2(b) to this subchapter.....	3/			
	42 3/	Articles for which duty free treatment is claimed under U.S. note 7(a) to this subchapter.....	3/			
	44 3/	Articles for which duty free treatment is claimed under U.S. note 7(b)(i) to this subchapter.....	3/			
	46 3/	Articles for which duty free treatment is claimed under U.S. note 7(b)(ii) to this subchapter.....	3/			
	48 3/	Articles for which duty free treatment is claimed under U.S. note 7(c) to this subchapter.....	3/			
	55 1/	Textile or apparel goods described in additional U.S. note 3(c) to section XI.....	1/ 2/			
	68 1/	Other.....	1/ 2/			

1/ See chapter 98 statistical note 2.

2/ See subchapter II statistical note 1.

3/ See subchapter II statistical note 2.