

October 24, 2011 (Special)

GSP renewal/MPF increase/Free Trade Agreements (From NCBFAA)

On October 21, the President signed into law three Free Trade Agreements and GSP renewal, which also contains an increase in the Merchandise Processing Fee (from .21 to .3464 percent ad valorem). There has been a great deal of confusion about the mechanics of both the retroactive application of GSP to January 1, 2011, and the MPF effective date of October 1, 2011. Although some of the procedural issues are not yet resolved, CBP tells us the following:

GSP: The renewal applies retroactively to January 1. As in the past, because of the way we coded your GSP-eligible entries, you should automatically receive the refund of duties paid on GSP-eligible products entered since January 1, 2011. CBP reports that it will take 10 to 12 weeks for the automatic refunds to be generated.

MPF: CBP is working on system changes to implement the increased MPF going forward. It is not yet clear how the agency will handle the increased fee for the period from October 1 until the date the fee is implemented. Because the MPF maximum cap of \$485 will continue to apply, the fee increase will impact entries valued at \$140,000 or less. CBP will not collect the increase where the difference is less than \$20. Likely, CBP will calculate the increased fees entry-by-entry and the ports will then bill importers -- though the specific details are still being worked out.

As for the Free Trade Agreements, there are three additional steps before each agreement will take effect. First, the other country must ratify the agreement. Both Colombia and Panama have already done so. Korea has not. Second, the President must certify that each country has taken all the necessary steps to implement the agreement. And, finally, the President must issue a Presidential Proclamation to give effect to the tariff reductions and other provisions for each FTA partner. We will notify you when these requirements are met.

FDA ending Affirmation of Compliance Codes BPL and BFL (From NCBFAA)

The FDA is ending two Affirmation of Compliance (AofC) codes effective October 24, 2011. The codes are BPL - Biologic Product License Number and BFL - Biologic Establishment License Number. FDA originally announced the creation of two new AofC codes (STN - Submission Tracking Number and BLN - Biologics License Number) for our Center for Biologics Evaluation and Research and the end-date of the referenced codes back in 2008. The new codes were added but unfortunately the end-dates were not put in place for BPL and BFL. We will no longer report these codes.

Please contact us with any questions.

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