

CSMS #18-000317

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Title: UPDATE: Additional Duty on Imports of Steel and Aluminum Articles under Section 232

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UPDATE: Additional Duty on Imports of Steel and Aluminum Articles under Section 232 of the Trade Expansion Act of 1962

REVISED VERSION WITH NEW FILING REQUIREMENTS FOR IMPORTS OF ALUMINUM AND STEEL FROM SOUTH KOREA

BACKGROUND:

On March 8, 2018, the President issued Proclamations 9704 and 9705 on Adjusting Imports of Steel and Aluminum into the United States, under Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862), providing for additional import duties for steel mill and aluminum articles, effective March 23, 2018. See the Federal Register, 83 FR 11619 and 83 FR 11625, March 15, 2018. On March 22, 2018, the President issued Proclamations on Adjusting Imports of Steel and Aluminum into the United States. See the Federal Register, 83 FR 13355 and 83 FR 13361, March 28, 2018. On April 30, 2018, the President issued Proclamations on Adjusting Imports of Steel and Aluminum into the United States.

These duty requirements are effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time on March 23, 2018.

COMMODITY:

Steel mill and aluminum articles, as specified in the Presidential Proclamations.

COUNTRIES COVERED BY SECTION 232 IMPORT DUTIES:

Please note that the Section 232 measures are based on the country of origin, not the country of export.

Steel:

May 1, 2018 through May 31, 2018: All countries of origin except Canada, Mexico, Australia, Argentina, South Korea, Brazil and member countries of the European Union (Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom).

As of June 1, 2018: All countries of origin except Argentina, Australia, Brazil, and South Korea.

Quota for Steel Imports from South Korea

A separate CSMS will be issued with details on the quota on steel imports from South Korea.

Aluminum:

May 1, 2018 through May 31, 2018: All countries of origin except Canada, Mexico, Argentina, Australia, Brazil and member countries of the European Union (Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom).

As of June 1, 2018: All countries of origin except Argentina, Australia, and Brazil.

Note: As of May 1, 2018, aluminum articles from South Korea are subject to the Section 232 import duties. Importers may receive a quota hold message for imports of such articles; however, a quota is not in effect for imports of aluminum from South Korea.

For both steel and aluminum, imports of United States origin are not covered by the Section 232 measures.

FILING INSTRUCTIONS:

SPECIAL INSTRUCTIONS FOR IMPORTS OF ALUMINUM AND STEEL FROM SOUTH KOREA:

As noted above, only imports of steel from South Korea are subject to an absolute quota. However, until further notice, for all imports of aluminum and steel articles from South Korea, importers should submit a quota entry type code (entry types 02, 06, 07, 23, 32, or 38).

For imports of aluminum and steel articles from all other countries, continue to use non-quota entry type codes.

Steel Products

In addition to reporting the regular Chapters 72 & 73 of the Harmonized Tariff Schedule (HTS) classification for the

imported merchandise, importers shall report the following HTS classification for imported merchandise subject to the additional duty:

9903.80.01 (25 percent ad valorem additional duty for steel mill products)

Aluminum Products

In addition to reporting the regular Chapter 76 of the HTS classification for the imported merchandise, importers shall report the following HTS classification for imported merchandise subject to the additional duty:

9903.85.01 (10 percent ad valorem additional duty for aluminum products)

Generalized System of Preferences (GSP) and African Growth and Opportunity Act (AGOA)

GSP and AGOA-eligible goods that are subject to Section 232 duties may not receive GSP or AGOA duty preference in accordance with 19 USC 2463(b)(2).

On imports subject to Section 232 duties, in addition to the Section 232 duties, importers should pay the normal trade relations (column 1) duty rates and not submit the GSP Special Program Indicator (SPI) "A" or the AGOA SPI "D"

Although Brazil and Argentina are GSP countries, they are exempt from Section 232 per the Harmonized Tariff Schedule of the United States (HTSUS) Chapter 99, Subchapter III, U.S. Notes 16(a) and 19(a); therefore they may claim GSP.

Other Trade Preference Programs and Free Trade Agreements

Trade preference may be claimed for all preference programs with the exception of GSP and AGOA, as stated above. Importers making a trade preference claim under a program other than GSP or AGOA may continue to receive the preferential duty rate and any MPF exemption that may apply in accordance with 19 CFR 24.23(c). Section 232 duties must be paid on imports subject to Section 232 even if trade preferences apply.

Additional Information

Chapter 98

Imports subject to Section 232 duties imported under subheading 9802.00.60 shall be assessed Section 232 duties based upon the full value of the imported article.

Foreign Trade Zones

Any steel or aluminum article, except those eligible for admission under "domestic status" as defined in 19 CFR 146.43, subject to the Section 232 duties, that is admitted into U.S. foreign trade zones on or after 12:01 a.m. eastern daylight time on March 23, 2018, must be admitted as "privileged foreign status" as defined in 19 CFR 146.41, and will be subject upon entry for consumption to any ad valorem rates of duty related to the classification under the applicable HTSUS subheading.

Any steel or aluminum article, except those eligible for admission under "domestic status" as defined in 19 CFR 146.43, subject to the 232 duties, that was admitted into U.S. foreign trade zones under "privileged foreign status" as defined in 19 CFR 146.41, prior to 12:01 a.m. eastern daylight time on March 23, 2018, will likewise be subject upon entry for consumption to any ad valorem rates of duty related to the classification under applicable HTSUS subheadings imposed by the Proclamations.

Aluminum or steel articles shall not be subject upon entry for consumption to Section 232 duties, merely by reason of manufacture in a U.S. foreign trade zone. However, articles admitted to a U.S. foreign trade zone in "privileged foreign status," shall retain that status consistent with 19 CFR 146.41(e). The merchandise covered by the additional duties and quota may also be subject to antidumping and countervailing duties.

Drawback

No drawback shall be available with respect to the Section 232 duties imposed on any aluminum or steel article.

FOR FURTHER INFORMATION:

For more information, please refer to the Presidential Proclamations on Adjusting Imports of Steel and Aluminum into the United States, Federal Register, 83 FR 11619 and 83 FR 11625, March 15, 2018; the March 22, 2018 Presidential Proclamations on Adjusting Imports of Steel and Aluminum into the United States. 83 FR 13355 and 83 FR 13361, March 28, 2018; and the April 30, 2018 Proclamations on Adjusting Imports of Steel and Aluminum into the United States. Also see Frequently Asked Questions at <https://www.cbp.gov/trade/programs-administration/entry-summary/232-tariffs-aluminum-and-steel>

Questions related to Section 232 entry filing requirements should be emailed to traderemediunit@cbp.dhs.gov. Questions from the importing community concerning ACE rejections should be referred to their Client Representative.