

## **GSP Expiration: Frequently Asked Questions**

*(January 2021)*

### **What is the status of the Generalized System of Preferences (GSP) program?**

Legal authorization for duty-free treatment under the GSP program expired on January 1, 2021 (19 U.S.C. Section 2465). As a result, U.S. imports entering the United States that were eligible for duty-free treatment under GSP up to December 31, 2020 are now subject to regular, Normal Trade Relations (MFN) rates of duty. These rates are shown in the U.S. tariff schedule (<https://hts.usitc.gov/>) under the column with the heading “General”.

### **Will GSP be reauthorized?**

Congress will make any decisions on whether or when to extend authorization of GSP. The 117<sup>th</sup> Congress convened on January 3<sup>rd</sup>, 2021.

### **How does the expiration of GSP affect ongoing GSP reviews of country practices, country assessments, and the annual product review?**

As long as the GSP program remains without authorization, we do not anticipate holding public hearings or requesting public comments for the ongoing GSP country practice and annual product reviews. USTR and the interagency GSP Subcommittee will continue to engage with stakeholders involved in ongoing country practice reviews. However, we do not expect to move toward final determinations of these reviews, or open new reviews resulting from the triennial assessment process or petitions, while the program is without authorization.

### **Has GSP expired in the past? Will benefits be made retroactive if and when the program is reauthorized?**

GSP authorization has expired on ten occasions, most recently in 2018. In the past, when Congress acted to extend the program, duty-free treatment was applied retroactively to GSP-eligible products that were imported during the lapse period, allowing importers to seek refunds of duties paid. However, it is not known whether any future action on GSP will be made retroactive.

### **If GSP is reauthorized retroactively, how will the refunds be processed?**

In accordance with U.S. Customs & Border Protection (CBP) CSMS #45244051, after midnight December 31, 2020, importers are to pay the normal trade relations duty rate but should continue to mark GSP-eligible importations with the applicable special program indicator (SPI) for GSP (“A”). If the program is renewed with retroactive effect, the use of the SPI will allow CBP to process duty refunds automatically. For specific guidance, please contact the CBP Trade Agreement Branch at [FTA@cbp.dhs.gov](mailto:FTA@cbp.dhs.gov).

### **How does the expiration of GSP affect other trade preference programs, such as AGOA and CBTPA?**

Duty-free treatment of imports qualifying for coverage under the African Growth and Opportunity Act (AGOA) and the Caribbean Basin Trade Partnership Act (CBTPA) is not affected by the expiration of the GSP program’s authorization.

### **Will CBP allow post-importation GSP claims made via post summary correction (PSC)?**

CBP will continue to allow post-importation GSP claims made via PSC and protest (see 19 U.S.C. Section 1514 and 19 CFR part 174) subsequent to the expiration of GSP, for importations made while GSP was still in effect. CBP will not allow post-importation GSP claims made via PSC or protest subsequent to the expiration of GSP, for importations made subsequent to expiration.