AMERICAN SHIPPING COMPANY

AMERICAN SHIPPING COMPANY

Newsflash

July 27,2020

China Tariffs Won't Apply to Hong Kong Goods, but CBP Policy Still Unclear

A recent executive order suspending Hong Kong's special trade status won't result in additional tariffs on goods from Hong Kong, a senior administration official said in a July 23 email. "The July 14, 2020, Executive Order on Hong Kong Normalization does not provide for new U.S. tariffs on goods from Hong Kong," the official said. "The Administration will continue to evaluate and adjust our policies as conditions warrant."

"The only import-related statute cited in the EO is the marking statute," customs lawyer Brenda Jacobs said. "And the EO is clear that the only U.S. practices towards goods of Hong Kong that should be revised are those directly covered by the statutes specifically identified in the EO." Jacobs said the marking statute identified in the order "is intended to allow consumers to make an informed decision at the time of purchase, based on knowledge of the country of origin. Period."

The practical effects of the order are still unclear, even though it directs agencies to begin implementation within 15 days (i.e., by July 29). In response to an inquiry on whether the executive order affects only marking on the import side, a CBP spokesperson did not comment.

Even as marking for goods of Hong Kong may change, the suspension may not mean goods have to be marked only made in China, Jacobs said. "I believe that 'Made in Hong Kong, China' or something similar that identifies both Hong Kong and China equally, should be acceptable," Jacobs said. A 1989 ruling following Burma's change in name to Myanmar, which is not recognized as the country's name by the U.S., said the importer could include both names on a label, but not Myanmar alone, she said.