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## gsp refunds clarified

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*MSK Client Alert*

July 2015

While the oft-rumored Federal Register notice has yet to be seen, Customs and Border Protection (CBP) did publish information about obtaining refunds under the now reinstated Generalized System of Preferences (GSP). Information about the legislation which authorized the renewal was published in our alert dated July 14, 2015.

Since then, CBP has announced its computers will be reprogrammed so that starting July 29th, new entries making GSP claims will benefit from the zero rate of duty. CBP has also posted on its website a general announcement and FAQs re GSP refund claims. See [Renewal of GSP and GSP FAQs](#). A more detailed refund process is also summarized at [GSP Refund Process](#).

What CBP has announced is if you filed your entry with the GSP Special Program Indicator ("A", "A+", or "A\*"), CBP will "automatically" refund the duty, without interest. If you did not, then what happened depends on how your entry was filed. If it was filed through ACE, a post-summary correction must be filed. If it was filed through ABI, a post-entry amendment is needed.

CBP states if you filed your entry with the SPI indicator, no action is needed. However, that recommendation anticipates all the entries will be liquidated or reliquidated because they will be identified by CBP's program and processed. While that is likely, importers would nonetheless be wise to identify the affected entries and track their refunds. The deadline to file refund requests is December 28, 2015, so as that date nears, knowing which entries still require action by CBP is a must. For any claims which are going to be filed, CBP reminded importers to identify the entry number, line number and amount requested.

These final cautionary notes to importers qualify as reasonable care reminders:

- 1) If you did not file your GSP-eligible entry with the SPI indicator, you will have to file a refund request;
- 2) Make sure the origin of your goods is a country that is still GSP eligible (if not,

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no refund); and

3) Be prepared to back-up your GSP claims with proper documentation and analysis, especially if the SPI indicator was not used at time of entry.

Many of these refund claims will be relatively straightforward, but a careful review of the records is important before filing any such claims. Regulatory Audit continues to make clear one of the major causes for importers to have adverse audit results is making claims which cannot be properly supported, and GSP is a program where lots of unfounded claims are regularly made.