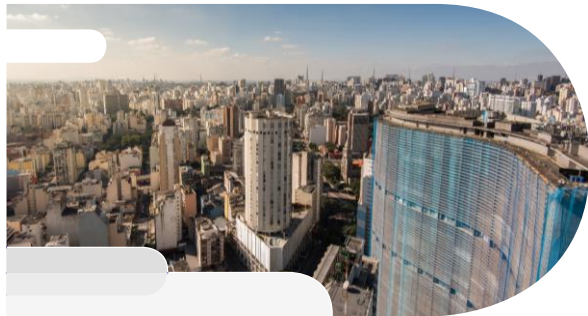


Section 301 Duty Mitigation Strategies

Our tax supply chain transformation experts can help you to possibly mitigate the impact of those Section 301 duties by means of carefully analysis of existing and potential supply chain considerations of how any or all of the foregoing strategies might be applied to your business.

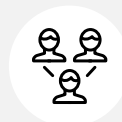


China located manufacturers are looking for ways to remain competitive, we list here some strategies that can be used in collaboration with your customers which may be able to mitigate the effect of those section 301 duties on goods imported into the United States.



Product classification analysis

Reclassification if warranted, may result in moving the imported products into a tariff code (HSUS) subheading that is not currently subject to Section 301 duties.



Product exclusion process

USTR has created a process by which Importers could petition for the exclusion of their specific products from those Section 301 duties.



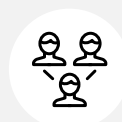
Alternative sources of supply

Section 301 duties apply to those products for which China is the country of origin. Thus is a US importer/or there China supplier can shift its source of products to another country, it could eliminate the Section 301 duties.



Third country assembly

US companies that import from China complex products assembled from a variety of parts, components and subassemblies should consider the possibility of performing final assembly in a third country.



First sale for export

In a multi-tier procurement i.e. where a Chinese manufacturer sells the goods to an intermediary in a third country and the intermediary resells the goods to the US importer the first sale between the manufacturer and the intermediary can be the basis for customs dutiable value.



9802.00.80 duty preference

9802.00.80 provides for the duty to be assessed on a product less the value of US origin components.