Additional duties on goods imported from the US

Joint Customs Consultative Committee (JCCC) Paper (07) 18	
Who should read:	JCCC members and anyone planning to import goods from the USA.
What is it about:	An increase to the number of goods originating from the USA that will attract 15% additional duty rates as a result of the retaliatory action under the Byrd Amendment.
When effective:	1 May 2007

Introduction

Since May 2005 additional custom duties have been applied on the import of certain goods from the United States. This was in retaliation to what was commonly know as the 'Byrd amendment'. For more on the background on this please refer to JCCC paper (07) 10.

This paper is to provide advance warning of further action planned for the 1 May 2007.

Retaliatory action

The timing of further action

Unfortunately although the Byrd Amendment has been repealed, the illegal subsidies* to US business will continue until at least September 2007.

As such the EU intends to increase the number of goods on which retaliatory rates are applied with effect from 1 May 2007.

*The World Trade Organisation ruling in 2004

How are the goods attracting additional rates chosen?

The World Trade Organisation Arbitrator determined that the EU should be entitled to retaliate up to an amount equal to 72% of the US subsidy. Accordingly, the amount of EU retaliation varies from year to year based on the amount of money given to US companies. The list of goods affected is adjusted to obtain the right figure.

Which goods are affected?

A further thirty two codes from the Annex II list will be added to the active retaliation list from 1 May 2007. From this date imports of affected goods originating in the US will attract an additional 15% import duty on top of their existing duty rates.

The list of <u>additional goods</u> is attached. Goods originally advised in 2005 and 2006 continue to attract additional duty.

Importers will need to ensure that they take the additional charges and any impact on other import charges, or example VAT, into account when considering importing goods on the list.

Further information

To obtain the current rate of duty please ring the National Advice Service with the correct customs tariff classification code between 8 am to 8pm on 0845 010 9000.

If you are unsure of the classification code the Tariff Classification helpline is available from 9am to 5pm Monday to Thursday, and 9am to 4.30 pm Friday, on 01702 366 077. You may have up to three goods classified per phone call.

For information on the retaliatory rate of duties please contact Lesley Reynolds of the Tariff Management Team on 01702 366 254.

For information on world trade agreements and to find out more about the background to the 'Byrd' dispute and related retaliation, please contact:

Toni Woodger: 020 7215 2326 DTI: toni.woodger@dti.gsi.gov.uk

or

Andy Weller: 020 7215 2321 DTI: andy.weller@dti.gsi.gov.uk

Or visit the relevant page of the <u>DTI website</u> where you will also find a copy of the retaliation list.

Issued on the **30 March 2007** by the JCCC Secretary, HM Revenue and Customs, Frontiers & International Directorate CRM Team, 6th Floor South, Portcullis House, Southend-on-Sea, Essex. SS2 6AL.

Email: JCCC Secretariat

If you have a question about the content of this paper please use the contact provided in the 'Further Information' section. For general HMRC queries speak to the National Advice Service on 0845 010 9000 or follow this crumb trail which details how to contact us by phone, email or post: HMRC home (www.hmrc.gov.uk) > Contact Us