

# **In Depth Discussion of Major Customs Issues for 2018**

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# CLASSIFICATION

- Athletic – No Change – Remains Highly Subjective and Inconsistent
- Composition Leather – May be an issue brewing

# FLOCKING RULES

## A. Textile

- 6402 and 6404 Only
- Limited Coverage in 6402
- No Over the Ankle in 6402
- No protective
- No Over \$12 footwear

## B. Leather

- R/P Uppers Primarily
- Can Use on R/P Protective
- No Advantage on Textile Uppers - 6404.20.60 (37.5%)

# VALUE

- Cancellation Charges
- Materials
- Molds / Tooling - Planning Required
- Defective Merchandise
- First Sale – “Flash Title”
- Any Value Questions?

# FORCED LABOR

- Change in the Law – Domestic Production
- “Available Reasonably But Not Conclusively”
- De Minimis?
- Potential For A Great Deal of Mischief
- Any way to Insulate Your Imports?
- North Korea

# PROCEDURE ISSUES

- Protests
  - Approved – Not Necessarily Final
  - CEE Playing Catch-up
  - Electronic or Paper
- Electronic Notice of Liquidation
- De Minimis Value – No Time Soon – May Require Legislation

# INCREASED ENFORCEMENT

- Congressional Interest
- Revenue Enhancement – Dunning Letters
- Devices – Border Searches

# FALSE CLAIMS ACT

- The New Customs Enforcement Tool
- Primarily Antidumping, but classification is the subject of at least one current claim and footwear has the largest duty swings
- False Claims Trolls (Customs Fraud Investigations, Inc.) in the business of finding misclassification, undervaluation, origin, pricing.
- Manifest Confidentiality
- Notations Consent Order – DDP Purchaser



# Questions or Comments?

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