

GSP Expiration: Frequently Asked Questions

Did trade benefits under the Generalized System of Preferences (GSP) expire on July 31? Why?

Legal authorization for the GSP program expires on July 31, 2013 (19 U.S.C. Section 2465). Therefore, as of midnight on August 1, 2013, imports that were previously eligible for duty-free treatment under GSP will be subject to regular, normal trade relations duties (shown in column 1 of the tariff schedule). The U.S. Congress is considering legislation that would extend the authorization of GSP beyond this date.

Imports of GSP-eligible imports from beneficiary countries of the African Growth and Opportunity Act (AGOA) will continue to be eligible for duty-free entry, notwithstanding the lapse in GSP authorization, pursuant to the provisions of the statute governing the AGOA program.

When will Congress extend authorization of GSP? Does the Administration support extension of GSP?

It is not known at this point whether or when Congress will extend the GSP program, but many Members of Congress have voiced strong support for it.

The Obama Administration supports congressional action to extend the GSP program and is working with Congress toward this end.

Has GSP expired in the past? Will benefits be made retroactive if and when the programs are reauthorized?

GSP authorization has expired on several previous occasions, most recently in 2011. In the past, when Congress acted to extend the program, it applied the duty-free treatment to GSP-eligible products retroactively to the expiration of the program, thereby allowing importers to seek refunds of duties paid. However, it is not known whether any future action on GSP will be made retroactive.

If GSP is reauthorized retroactively, how will the refunds be processed?

In accordance with U.S. Customs and Border Protection (CBP) instructions, after midnight July 31, 2013, importers should pay the normal trade relations (column 1) duty rate but continue to flag GSP-eligible importations with the applicable special program indicator (SPI) for GSP (“A” or “A+”). If the program is renewed with a retroactive clause, use of the SPI will allow CBP to process automatic duty refunds. For specific guidance, please see CBP notices on GSP, which can be found by clicking [here](#).

Will other preference programs, including AGOA, continue if GSP expires?

Duty-free treatment of imports qualifying for coverage under the African Growth and Opportunity Act (AGOA) and the Caribbean Basin Trade Partnership Act (CBTPA) will not be affected by the lapse in GSP’s authorization.

Imports of GSP products from AGOA beneficiary countries will continue to be eligible for duty-free treatment, notwithstanding the lapse in GSP authorization, pursuant to the provisions of the statute governing the AGOA program.

How will the expiration of GSP affect ongoing reviews of GSP country and product petitions?

As long as the GSP program remains without authorization, there will be no public hearings and no requests for public comments for ongoing GSP country and product reviews and no final disposition of these reviews.