

## **GSP Expiration: Frequently Asked Questions**

*(January 2018)*

### **What is the status of the Generalized System of Preferences (GSP) program?**

Legal authorization for the GSP program expired on December 31, 2017 (19 U.S.C. Section 2465). As a result, U.S. imports entering the United States after that date that were previously eligible for duty-free treatment under GSP are subject to regular, normal-trade-relations rates of duty (shown in the U.S. tariff schedule under the column with the heading “General”).

### **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 reauthorize the GSP program, but many Members of Congress have voiced support for reauthorization of GSP.

The Trump Administration supports congressional action to renew 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 program is reauthorized?**

GSP authorization has expired on several previous occasions, most recently in 2013. In the past, when Congress acted to extend the program, it applied 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 CBP instructions, after midnight December 31, 2017, importers are to pay the normal trade relations duty rate but should continue to flag GSP-eligible importations with the applicable special program indicator (SPI) for GSP (“A” or “A+”). If the program is renewed with retroactive effect, 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 [here](#).

### **How does the expiration of GSP affect other trade preference programs, such as AGOA and CBTPA?**

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

### **How does the expiration of GSP affect ongoing GSP reviews of country practices and products?**

As long as the GSP program remains without authorization, there will be no public hearings and no requests for public comments for ongoing GSP reviews of country practices and products. This includes the new assessment process of compliance with GSP criteria as announced [here](#). USTR and the interagency GSP Subcommittee will continue to engage with stakeholders involved in these assessments and reviews, but we do not expect to move toward final disposition of these assessments and reviews while the program is without authorization.