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Trade Preferences Extension Act of 2015: Generalized System of Preferences (GSP) FAQs

Q: What exactly *is* the GSP?

A: U.S. trade preference programs such as the Generalized System of Preferences (GSP) provide opportunities for many of the world's poorest countries to use trade to grow their economies and climb out of poverty. GSP is the largest and oldest U.S. trade preference program. Established by the Trade Act of 1974, GSP promotes economic development by eliminating duties on up to 5,000 types of products when imported from one of 122 designated beneficiary countries and territories.

Q: Okay, and what is the Trade Preferences Extension Act of 2015?

A: On June 29, 2015, the President signed the Trade Preferences Extension Act of 2015. The Act has renewed the Generalized System of Preferences (GSP) preferential duty program, which expired on July 31, 2013.

Q: Is the Act retroactive?

A: Yes, the renewal will be retroactive, meaning that otherwise-eligible GSP merchandise entered between July 31, 2013, and the effective date of the law will be eligible for refunds of duty.

Q: How will CBP handle the facilitation of refunds?

A: Recognizing the impact that retroactive renewal and consequent numerous re-liquidations will have on both importers and CBP, CBP developed a mechanism to facilitate refunds for entries submitted during the lapse period using the Special Program Indicator (SPI) for GSP (with the letter "A," "A+," or "A*") as a prefix to the tariff number. CHB expects to begin automated processing of these shortly after the effective date. CBP will liquidate or reliquidate all affected entry summaries and refund any duties deposited (without interest) for items qualifying for GSP and for which requests for liquidation or reliquidation are timely filed. Field locations will not issue GSP refunds except as instructed to do so by CBP Headquarters.

Q: Is there a list of countries eligible for GSP?

A: Yes, Laufer has compiled a list of countries eligible for GSP. Please contact your Laufer representative to receive the list.

Q: As an importer, what do I do now?

A. Our team of specialists is here to help. Simply notify Laufer if you have imported since July 2013 any items that would be the Growth and Product of a GSP eligible country.