

Regulatory Update

Learn about how ONESOURCE Global Trade is addressing the upcoming U.S. regulatory updates



Dear Valued Customer,

There are important U.S. regulatory updates coming over the next few weeks that may impact your business. They include (1) updates to Automated Export System (AES), (2) collection of softwood lumber fees, (3) USMCA enforcement and (4) US FTZ e214 Modernization- Phase 2, Drop 2. We want to provide you with an overview of how the ONESOURCE Global Trade team is preparing for these changes. Please consult with an expert to validate the effect on your business.

Date	Regulatory Update	ONESOURCE GTM Product
June 29, 2020	AES Enforcement Updates	Content, Export Management, AES Management
July 1, 2020	Softwood Lumber Fees	US-ABI, FTZ
July 1, 2020	USMCA Enforcement	FTA Management- USMCA, FTZ, US-ABI, Import Management, Content
August 2020	US FTZ e214 Modernization- Phase 2, Drop 2	FTZ Management

Below you will find information about each of the regulatory updates:

AES Enforcement Updates (June 29, 2020)

Our AES and Content product teams have been actively working on making the changes required to support the two major regulatory changes published by the Department of Commerce's BIS (Bureau of Industry and Security) on April 28, 2020 (per FRN's [85 FR 23470](#) and [85 FR 23459](#)).

Specifically, the following changes have or will be in place in the ONESOURCE Global Trade Content or Export and AES Management solutions:

- The license exception "CIV" has a future expiration date of June 29, 2020 viewable when researching ECCN data in Global Trade Content data.
- A new Reason for Control "RS" (Regional Stability – China, Russia, or Venezuela) has been added into the appropriate ECCN's (per [85 FR 23459](#)) with a future effective date of June 29, 2020.
- The Global Trade Content Export Controls team has analyzed and made additional changes as needed to the "Military Restrictions" Reason for Control to ECCN's based on the expanded scope of restrictions to military end users.
- Effective June 29:
 - The above three Content changes will appear on the Content screens and also impact Content validations of Export shipment data.
 - An error will surface if a user enters "CIV" as an Exception Code on a shipment going through the AES validations.
 - For clients who are configured to use the "\$2,500 Rule" summarizing functionality, all exports to China, Russia or Venezuela are exempt from the rule and thus the software will indicate that filing is required, regardless of value.

- Any shipment to China, Russia or Venezuela that is going through the AES validations will generate an error if an ECCN is not provided on all detail lines.
- The “Evaluate AES Exemptions” modal in Export Management will include the exception destination countries of China, Russia and Venezuela in the \$2,500 rule validation section.

Softwood Lumber Fees (July 1, 2020)

On June 1st CBP published CSMS #42894478 – New Process for the Automated Collection of Assessments by CBP on Imported Softwood Lumber covered under the Softwood Lumber Checkoff. In this CSMS message CBP announced they will require companies to pay these fees at the time of entry summary filing. Historically, this fee was paid directly to the Softwood Lumber Board (SLB) and was not part of the entry process.

To read more about the products that are covered and the Softwood lumber research, promotion, consumer education and industry information order, [click here](#).

All US ABI Self Filing customers will have the fee calculated as part of the entry summary generation process. Export value is required. Please note that if your ONESOURCE GTM or FTZ application does not capture and pass along the export value, reach out to support at IntegrationPoint@ThomsonReuters.com for more information on where to enter this information and how to transmit electronically.

USMCA Enforcement (July 1, 2020)

On July 1, 2020, the United States – Mexico – Canada Agreement (USMCA) will enter into force, replacing the existing North American Free Trade Agreement (NAFTA). Many of our FTA customers are working with our Professional Services teams to implement the new agreement in preparation for this date. Overall many of the provisions within the new agreement aim to modernize similar regulations under NAFTA, but there are some key differences and we recommend that

companies re-review the new regulations to see what kind of impact these changes may have on their business.

USFTZ and US ABI Self-Filing customers may use the new Special Program Indicators of S and S+ to claim USMCA. These Special Program Indicators are valid only for Entry Dates (using standard Entry date hierarchy) of July 1st and after, and NAFTA SPICodes of 'MX' and 'CA' are valid only through June 30th. USFTZ customers who have Privileged foreign material with NAFTA SPICodes of 'CA' and 'MX' should be able to continue to claim those so long as the Privilege date of the materials is June 30th or prior.

As a reminder to our US FTZ customers who currently take advantage of NAFTA, you may use the status change screen to privilege current inventory layers that qualified for NAFTA, if you want to "lock" in that status. Please review the USMCA rules to determine if this action is appropriate for your business.

An important note for our US ABI self-filing customers is that under USMCA, currently MPF-exemption benefits are available only when claimed at the time of the entry. Any post-import update claims will not allow MPF-exemption benefits. Many of the other post-import restrictions with NAFTAZ remain in place for USMCA, and Post Summary Corrections will not be allowed for USMCA claims.

Please review the [USMCA regulations](#) for more information. CBP will host a series of technical support calls to assist with the implementation of USMCA through July 8th. Details about the support calls and meeting links can be found [here](#).

US FTZ e214 Modernization – Phase 2, Drop 2 (August 2020)

For our US FTZ customers, CBP is modernizing the FTZ admission process and recently published in "[CSMS #43104221 - Updated ACE Development and Deployment Schedule Posted to CBP.gov/ACE](#)" that the deployment is scheduled for August 2020. As part of this modernization, CBP is making significant changes to the ePTT and admissions process. The ONESOURCE GTM FTZ team has been testing these enhancements with CBP since February

2020. We have several open questions about the changes and are working closely with CBP and the NAFTAZ to address them. Once CBP finalizes the deployment plan, we will share more information, including video recordings of trainings on the changes to help FTZ administrators to prepare.

If you have any questions, please reach out to your account manager.

Thank you and regards,

Your ONESOURCE Global Trade Team