

On December 23, 2021, President Biden signed the Uyghur Forced Labor Prevention Act (UFLPA). The UFLPA establishes a rebuttable presumption that merchandise manufactured wholly or in part in the Xinjiang Uyghur Autonomous Region of the People's Republic of China, is prohibited by Section 307 of the Tariff Act of 1930 and prohibited entry into the United States of America.

Under the UFLPA, U.S. Customs and Border Protection (CBP) has been tasked with investigating and evaluating claims of merchandise being manufactured through the use of forced labor. If after review, CBP determines that forced labor was utilized in the manufacturing process, they may issue a Withhold Release Order (WRO). Merchandise that has been issued a WRO may be refused entry or subject seizure. CBP maintains an active WRO list on their website and it is recommended that our customers consult this list prior to contracting with a new or current company for the manufacture of their merchandise and goods. The current WRO list can be accessed utilizing the following link:

<https://www.cbp.gov/trade/forced-labor/withhold-release-orders-and-findings>

A licensed U.S. Customs Broker is required to exercise "reasonable care" prior to making entry of merchandise on behalf of their customers. IBC is committed to ensure that the reasonable care requirements are met for each of its customers. IBC is also committed to ensure that its customers also have taken the necessary steps to ensure that they have exercised reasonable care during the entire supply chain process.

The UFLPA provides that CBP will develop a strategy to provide the following:

*Guidance to importers with respect to—*

*(A) due diligence, effective supply chain tracing, and supply chain management measures to ensure that such importers do not import any goods mined, produced, or manufactured wholly or in part with forced labor from the People's Republic of China, especially from the Xinjiang Uyghur Autonomous Region;*

*(B) the type, nature, and extent of evidence that demonstrates that goods originating in the People's Republic of China were not mined, produced, or manufactured wholly or in part in the Xinjiang Uyghur Autonomous Region; and*

*(C) the type, nature, and extent of evidence that demonstrates that goods originating in the People's Republic of China, including goods detained or seized pursuant to section 307 of the Tariff Act of 1930 (19 U.S.C. 1307), were not mined, produced, or manufactured wholly or in part with forced labor.*

CBP has not at this time disseminated the information to the public, but it is expected shortly and will be provided as it becomes available.

The UFLPA also establishes that an importer may rebut the presumption that goods are subject to exclusion or seizure under the following conditions:

*(1) the importer of record has—*

*(A) fully complied with the guidance described in section 4(d)(5) and any regulations issued to implement that guidance; and*

*(B) completely and substantively responded to all inquiries for information submitted by the Commissioner to ascertain whether the goods were mined, produced, or manufactured wholly or in part with forced labor; and*

*(2) the good was not mined, produced, or manufactured wholly or in part by forced labor*

It is anticipated that once the strategy has been developed and the public comment period had concluded, CBP will significantly increase their enforcement posture as it relates to forced labor. These efforts may include requests for site/factory visits and documents, physical inspections of merchandise and submitting wearing apparel and other goods to their labs to determine fiber content, country of origin and other lab analyses to assist in their determinations.

Some of the documents that may be requested by CBP include but are not limited to the following:

- Proof of payment (Checks/wire transfers)
- Invoices for components and services
- Records of origin
- Cutting and sewing records
- Time cards for factory workers
- Affidavits from manufacturers/suppliers and company principles
- Shipping records (air waybills/bills of lading)
- Warehouse receipts
- Other production records as applicable

It is recommended that our customers have these documents readily available prior to CBP beginning the audit/review process.

IBC has multiple experienced and Licensed U.S. Customs Brokers on staff that can assist with every step of the supply chain process for their customers.

Please do not hesitate to contact an IBC representative at 800-SHIP-IBC should you require additional information or assistance in complying with the UFLPA or any other CBP policy, procedure or law.