July 17, 2020

Due Date for Postponement of Duties Coming Soon

In April, CBP issued a 90-day postponement of duty deferral due to COVID-19. Certain requirements had to be met in order to qualify for deferment. Around **2600 importers** were granted this 90-day extension.

On Friday, July 10, 2020, CBP issued CSMS message #43324033 reminding that "payment due dates for estimated duties, taxes and fees eligible for the 90 day postponement are approaching." All pointing to the probability that an additional postponement will not be granted for these payments.

Please refer to the CSMS message for details on payment timeframes and note the following:

- Periodic Monthly Statement originally due April 21st is due as soon as next week on July 22nd.
- If any entry was removed from a Monthly Statement to a Daily Statement, duties may be due sooner since the daily statement's original due date may have been earlier.
- Per the CSMS message, no interest will accrue for the postponed deposit of duties, taxes, and fees during the 90-day postponement period. However, deposits made after the new due date may be subject to interest.
- Any entries *not eligible* for the duty deferment which remain unpaid will count as 91-days late.
- CBP can issue liquidated damages for nonpayment and late payment of duties, which may cause additional costs and delays for importers.
- As a reminder, CBP’s current Analytical (2) bond formula considers unpaid and/or delinquent bills, 100% of debit vouchers, and surety payments. Sureties are receiving a record number of debit vouchers either due to checks or ACH payments without funds. Brokers and importers should work with their surety to resolve debit vouchers as soon as possible to avoid any issues regarding bond sufficiency and/or need for payment plans.

We urge importers to review their entries' original payment due dates and to work with their brokers and sureties to ensure payments are processed timely.

If you have any questions regarding debit vouchers, please contact our Bond Claims Department at bondclaims@avalonrisk.com. If you have any questions regarding bond sufficiency or duty deferment, please contact our Bond Underwriting Department at bondunderwriting@avalonrisk.com.