LES BRÈVES - INFORMATIONS JURIDIOUES

PROPOSÉES PAR LE Groupe DS

## <u>Threats of additional duties on products originating from France imported in the</u> United States

On December 3, 2019, the US Government announced its intention to impose additional duties on a limited number of products originating from France imported into the US, up to 100% of their value. This announcement is a direct response to the project supported by the French Government of a new digital tax applied on highly digitalized companies, up to 3% of their turnover made on intermediation services and sales of targeted advertising services.

In its <u>publication</u>, the US Trade Representative (USTR) provides the list of products under threat: 63 different tariff subheadings, including dairies (HS codes: 0403, 0404, 0405, 0406), sparking wines (HS code: 2204), cosmetics and beauty products (HS codes: 3304, 3401), handbags (HS code: 4202), china porcelain articles (HS code: 6911), kitchen and table crafts (HS code: 7323).

Other measures are contemplated, such as additional fees or restrictions towards some services provided from France to the US. The USTR did not provide a list of services that could be subject to those measures.

**Note**: Companies interested can submit comments and suggestions to the USTR, regarding the list of products, the level of duties, their potential impact on market consumption, the economy and interests of the US, as well as their ability to influence France's tax policy towards digital economy. French business providing services in the US are also invited to comment.

These observations and comments must be sent to the USTR before January 6, 2020. On January 7 will be held a public hearing during which additional duties exemptions for certain products will be discussed. This hearing shall be followed by a final decision of President Trump to impose or not the measures.

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DS Trade and Customs Team is available to help you anticipating and managing these additional tariff measures.

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