



## IMPLEMENTATION OF SECTION 301 CHINA 25% TARIFFS AND RESTRICTIONS

Pursuant to a determination under Section 301 of the Trade Act of 1974 (19 U.S.C. § 2411) that certain laws, policies, practices, and actions of the Government of China are unreasonable or discriminatory and harm American intellectual property rights and technology, President Trump has today issued an official [Statement](#) announcing that the U.S. will:

- a) Publish a final Section 301 tariff list by June 15, 2018 and impose “shortly thereafter” a 25% tariff on \$50 billion in China goods;
- b) Announce by June 30, 2018 and implement “shortly thereafter” proposed investment restrictions and “enhanced export controls” on certain Chinese person and entities; and
- c) Continue to pursue an [action](#) in the World Trade Organization (WTO) against China for violation of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs).

These actions follow three days of public hearings and the [submission](#) of over three thousand public comments.

The proposed Section 301 tariff list, which was published at 83 [Fed. Reg. 14906](#) (April 6, 2018), is very extensive and includes a wide range of China products, such as pharmaceuticals, medical devices, machinery of HTS Chapters 84 and 85, production equipment, motor vehicles, aircraft, electronics, and telecommunications equipment. In total, 223 HTS Headings are included on the proposed list, but products are specified at the 8-digit level. Although the final Section 301 tariff list will be published by June 15, all clients should review the proposed list and consider the potential impact.

The U.S. Trade Representative has not indicated which specific Chinese entities will be targeted for “enhanced” export control restrictions, or exactly what form the restrictions will take. It is possible that additional entities will be added to the Bureau of Industry and Security (BIS) Entity List, the Specially Designated Nationals List, or a new yet-to-be implemented list administered by either BIS or the Office of Foreign Assets Control (OFAC). Targets might include Chinese Government-owned entities involved in technology, including semiconductor, electronics, telecommunications, and software; aviation; automotive; or pharmaceuticals. U.S. companies may also find it more difficult to obtain deemed export licenses for some of their non-U.S. employees in these industries.

Please contact [Marshall Miller](#), [Sean Murray](#), or [Brian Murphy](#) with questions about the Section 301 actions, their potential impact and/or ways to minimize potential liability.

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