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## For What It's Earth

Global ESG Headlines from Steptoe

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The Uyghur Forced Labor Prevention Act (UFLPA) supports the existing prohibition on the importation of goods into the United States made with forced labor under Section 307 of the Tariff Act of 1930. The Act came into force on June 21, 2022. It has both short and long term implications for many businesses and their supply chains.



#### Who Is Likely To Be Affected?

Any importers of products with links to China generally and Xinjiang specifically should be prepared to respond to all potential documentation requests from U.S. Customs and Border Protection (CBP) to avoid disruption to their supply chains. In addition, companies involved in supply chains exporting products to the United States from China, or with components made in China, need to be preparing documentation to respond to potential information requests from downstream purchasers, importers, and end users preparing for compliance with UFLPA enforcement.



#### What Is In Scope?

The UFLPA requires CBP to apply a presumption that imports of all goods, wares, articles, and merchandise mined, produced, or manufactured wholly or in part in the Xinjiang Uyghur Autonomous Region of China (Xinjiang), or by entities on the UFLPA Entity List, are prohibited from entry into the United States. The scope of the UFLPA also extends to goods made outside of or shipped through China that include inputs made wholly or in part in Xinjiang. There is no de minimis exception, so even trace amounts of goods made in Xinjiang or by listed entities trigger the presumption.



#### **How Will It Be Enforced?**

CBP is authorized to begin detaining and excluding and/or seizing shipments that it suspects fall within the scope of the UFLPA. CBP will identify shipments for detention based on origin (i.e., goods imported directly from Xinjiang and from entities on the Entity List) illegally transhipped goods with inputs from Xinjiang, goods imported into the United States by entities outside Xinjiang but related to an entity in Xinjiang, importers known to CBP from the enforcement of existing China WROs, and other sources of information, such as public reports from NGOs.



### **How To Stay Compliant?**

The UFLPA presumption is rebuttable, but the evidentiary standard to obtain an exception is high: importers must demonstrate by "clear and convincing evidence" that the imports are not made wholly or in part by forced labor, and must also respond to all CBP requests for information about merchandise under CBP review and comply with importer guidance contained in the UFLPA Strategy, released on June 17, 2022.