



Masterpiece International, Ltd.

International Commercial Logistics and Consulting Customs Brokers Freight Forwarder

GENERALIZED SYSTEM OF PREFERENCES (GSP) EXTENSION FAILS TO PASS

To Our Valued Clients:

December 23, 2010

On December 22, 2010, the Senate and House approved a six-week extension of the Andean Trade Preferences Act/Andean Trade Promotion and Drug Eradication Act (ATPA/ATPDEA) and Trade Adjustment Assistance (TAA), but **did not** approve an extension of the Generalized System of Preferences (GSP) Program.

GSP will lapse on December 31, 2010, requiring duty to be paid on nearly 4800 goods produced in developing countries, previously eligible for benefit of duty-free treatment. The pending expiration means importers will at least temporarily be required to pay duty on those imports beginning January 1, 2011.

Alabama Senator Jeff Sessions had blocked Senate action of the bill renewing both programs because of a duty break on sleeping bags imported from Bangladesh, which the Republican said threatens a factory in his state.

Senators, just before adjourning for the year, compromised to extend the Andean trade benefits for six weeks.

Supporters promised to work in early 2011 for renewal of the GSP program and longer extension of the Andean Trade benefits.

If you import goods from a GSP Eligible country, you will be charged duty by Customs effective January 1st. We will be tracking all entries where duty has been paid for previously eligible GSP-Duty-Free goods. In the past, Congress has retroactively renewed the program, and Customs refunded any duties paid. Masterpiece will insure that the duties are refunded for our clients, following designated procedures set by Customs, if and when the GSP program is renewed.

If you have questions whether this issue will have any effect on your specific imports, or if you have any other questions, please contact your local Masterpiece office for assistance.

We will continue to post updated GSP status on our website News section.

Thank you.

Best Regards,

Masterpiece International, Ltd.