

## Annex II

### Derivatives of Steel Articles

Subchapter III of chapter 99 of the Harmonized Tariff Schedule of the United States is modified as set forth below, with the material in the new tariff provisions inserted in the columns labeled "Heading/Subheading", "Article Description", "Rates of Duty 1-General", "Rates of Duty 1-Special", and "Rates of Duty 2", respectively. The modifications shall be effective with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern standard time on February 8, 2020.

1. U.S note 16(a) to subchapter III is modified in the first sentence by adding at the end thereof " or described in subdivision (a) (ii) of this note".
2. U.S. note 16(a) (i) to subchapter III is modified by deleting the word "Heading" and by inserting in lieu thereof "Except as provided elsewhere in this note, heading".
3. The following new subdivision (a) (ii) is inserted in numerical sequence in U.S. note 16 to subchapter III:

"(ii) Heading 9903.80.03 provides the ordinary customs duty treatment of the derivative iron or steel products enumerated in this subdivision of all countries other than products of the United States and other than of countries expressly exempted therefrom pursuant to the article description of such heading. For any products covered by heading 9903.80.03 that are eligible for special tariff treatment under any of the free trade agreements or preference programs listed in general note 3(c) (i) to the tariff schedule, the duty provided in heading 9903.80.03 shall be collected in addition to any special rate of duty otherwise applicable under the appropriate tariff subheading, except where prohibited by law. Goods for which entry is claimed under a provision of chapter 98 and which are subject to the additional duties prescribed herein shall be eligible for and subject to the terms of such provision and applicable CBP

regulations, except that duties under subheading 9802.00.60 shall be assessed based upon the full value of the imported article. No claim for entry or for any duty exemption or reduction shall be allowed for the derivative iron or steel products enumerated in this subdivision under a provision of chapter 99 that may set forth a lower rate of duty or provide duty-free treatment, taking into account information supplied by CBP, but any additional duty prescribed in any provision of this subchapter or subchapter IV of chapter 99 shall be imposed in addition to the duty in heading 9903.80.03. Heading 9903.80.03 shall apply only to the following derivative iron or steel products:

- (A) nails, tacks (other than thumb tacks), drawing pins, corrugated nails, staples (other than those of heading 8305) and similar articles, of iron or steel, whether or not with heads of other material (excluding such articles with heads of copper), suitable for use in powder-actuated handtools, threaded (described in subheading 7317.00.30); and
- (B) nails, tacks (other than thumb tacks), drawing pins, corrugated nails, staples (other than those of heading 8305) and similar articles, of iron or steel, whether or not with heads of other material (excluding such articles with heads of copper), of one piece construction, whether or not made of round wire; the foregoing described in statistical reporting numbers 7317.00.5503, 7317.00.5505, 7317.00.5507, 7317.00.5560, 7317.00.5580 or 7317.00.6560 only and not in other statistical reporting numbers of subheadings 7317.00.55 and 7317.00.65;
- (C) bumper stampings of steel, the foregoing comprising parts and accessories of the motor vehicles of headings 8701 to 8705 (described in subheading 8708.10.30); and
- (D) body stampings of steel, for tractors suitable for agricultural use (described in subheading 8708.29.21)."

4. Subdivision (c) of U.S. note 16 to subchapter III is modified:

a. by deleting "heading 9903.80.01" and by inserting in lieu thereof "headings 9903.80.01 and 9903.80.03,"; and

b. by deleting "individual iron or steel products otherwise covered by subdivision (b) of this note" and inserting in lieu thereof "individual derivative iron or steel products or individual iron or steel products otherwise covered by subdivision (a)(ii) or subdivision (b) of this note, respectively,".

5. Subdivision (d) of U.S. note 16 to subchapter III is modified by inserting after "inclusive," the following: " or any importer of derivative iron or steel products covered by this note under heading 9903.80.03,".

6. The article description of heading 9903.80.01 is modified by deleting "Products" and by inserting in lieu thereof "Except for derivative iron or steel products described in heading 9903.80.03, products".

7. The following new heading is inserted in such subchapter III in numerical sequence:

"9903.80.03	Derivative iron or steel products enumerated in U.S. note 16(a)(ii) to this subchapter, except products of Argentina, of Australia, of Brazil, of Canada, of Mexico, of South Korea, or any exclusions that may be determined and announced by the Department of Commerce.....	The duty provided	The duty provided	The duty provided
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