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U.S. Will Delay Some Tariffs Against China

By Josh
Updated Aug. 132019 10:08 am ET

The Trump administration will delay tariffs on cellphones, laptop computers, toys and some other items until Dec. 15, softening the blow of levies that were scheduled to take effect on Sept. 1 against roughly $300 billion of imports from China.

The office of the U.S. Trade Representative said that some products will be removed from the tariff lists entirely, based on health, safety, national security and other factors. The statement didn't say which items would be removed.

The USTR said it would release precise details of the delayed tariffs later Tuesday, but the items that will be delayed are some of the biggest ticket items facing tariffs. Cellphones alone represent more than $40 billion of trade.

The USTR didn't provide a reason beyond saying the decision was "part of USTR's public comment and hearing process." In June, over the course of seven days of hearings, hundreds of U.S. companies testified that the tariffs would damage their business.

The delay in tariffs also buys a reprieve for negotiators. Talks between the U.S. and Chinese negotiating teams, in Shanghai last month, ended without a breakthrough, and a Chinese delegation was planning to visit Washington in September, shortly after the tariffs were scheduled to take affect. Now, the U.S. and China will have another opportunity to strike a deal and avert the tariffs.

Write to Josh Zumbrun at Josh.Zumbrun@wsj.com

Executive Order Blocking Property of the Government of Venezuela; Issuance of Venezuela-related General Licenses and Frequently Asked Questions; Publication of Guidance on Humanitarian Assistance and Support to the Venezuelan People

EXECUTIVE ORDER

BLOCKING PROPERTY OF T H E GOVERNMENT OF VENEZUELA

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 et seq.), section 212(f) of the Immigration and Nationality Act of 1952 (8 U.S.C. 1182(f)), and section 301 of title 3, United States Code,

I, DONALD J. TRUMP, President of the United States of America, in order to take additional steps with respect to the national emergency declared in Executive Order 13692 of March 8, 20i5 (Blocking Property and Suspending Entry of Certain Persons Contributing to the Situation in Venezuela), as amended, as relied upon for -additional steps taken in subsequent Executive Orders, and in light of the continued usurpation of power by Nicolas Maduro and persons affiliated with him, as well as human rights abuses, including arbitrary or unlawful arrest and detention of Venezuelan citizens, interference with freedom of expression, including for members of the media, and ongoing attempts to undermine Interim President Juan Guaido and the Venezuelan National Assembly's exercise of legitimate authority in Venezuela, hereby order:

Section 1. (a) All property and interests in property of the Government of Venezuela that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in.

(b) All property and interests in property that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person of the following persons are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in: any person determined by the Secretary of the Treasury, in consultation with the Secretary of State:

*(*Continued On The Following Column)*

(i) to have materially assisted, sponsored, or -provided financial, material, or technological support for, or goods or services to or in support of, any person included on the list of Specially Designated Nationals and Blocked Persons maintained by the Office of Foreign Assets Control whose property and interests in property are blocked pursuant to this order; or

(ii) to be owned or controlled by, or to have acted or purported-to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to this order.

(c) The prohibitions in subsections (a)-(b) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order.

Sec. 2. The unrestricted immigrant and nonimmigrant entry into the United States of aliens determined to meet one or more of the criteria in section l(b) of this order would be detrimental to the interests of the United States, and entry of such persons into the United States, as immigrants or nonimmigrants, is hereby suspended, except when the Secretary of State determines that the person's entry would not be contrary to the interests of the United States, including when the Secretary so determines, based on a recommendation of the Attorney General, that the person's entry would further important United States law enforcement objectives. In exercising this responsibility, the Secretary of State shall consult the Secretary of Homeland Security on matters related to admissibility or inadmissibility within the authority of the Secretary of Homeland Security. Such persons shall be treated in the same manner as persons covered by section 1 of Proclamation 8693 of July 24, 2011 (Suspension of Entry of Aliens Subject to United Nations Security Council Travel Bans and International Emergency Economic Powers Act Sanctions). The Secretary of State shall have the responsibility for implementing this section pursuant to such conditions and procedures as the Secretary has established or may establish pursuant to Proclamation 8693.

Sec. 3. The prohibitions in section 1 of this order include:

(a) the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any person whose property and interests in property are blocked pursuant to this order; and

(b) the receipt of any contribution or provision of funds, goods, or services from any such person.

(*Continued On The Following Page)

Sec. 4. (a) Any transaction that evades or avoids, has the purpose of evading or avoiding, causes a violation of, or attempts to violate any of the prohibitions set forth in this order is prohibited.

(b) Any conspiracy formed to violate any of the prohibitions set forth in this order is prohibited.

Sec. 5. Nothing in this order shall prohibit:

(a) transactions for the conduct of the official business of the Federal Government by employees, grantees, or contractors thereof; or

(b) transactions related to the provision of articles such as food, clothing, and medicine intended to be used to relieve human suffering.

Sec. 6. For the purposes of this order:

(a) the term "person" means an individual or entity;

(b) the term "entity" means a partnership, association, trust, joint venture, corporation, group, subgroup, or other organization;

(c) the term "United States person" means any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States; and

(d) the term "Government of Venezuela" includes the state and Government of Venezuela, any political subdivision, agency, or instrumentality thereof, including the Central Bank of Venezuela and Petroleos de Venezuela, S.A. (PdVSA), any person owned or controlled, directly or indirectly, by the foregoing, and any person who has acted or purported to act directly or indirectly for or on behalf of, any of the foregoing, including as a member of the Maduro regime. For the purposes of section 2 of this order, the term "Government of Venezuela" shall not include any United States citizen, any permanent resident alien of the United States, any alien lawfully admitted to the United States, or any alien holding a valid United States visa.

Sec. 7. For those persons whose property and interests in property are blocked pursuant to this order who might have a constitutional presence in the United States, I find that because of the ability to transfer funds or other assets instantaneously, prior notice to such persons of measures to be taken pursuant to this order would render those measures ineffectual.

(*Continued On The Following Column)

I therefore determine that for these measures to be effective in addressing the national emergency declared in Executive Order 13692, there need be no prior notice of a listing or determination made pursuant to section 1 of this order.

Sec. 8. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including promulgating rules and regulations, and to employ all powers granted to the President by IEEPA as may be necessary to implement this order. The Secretary of the Treasury may, consistent with applicable law, redelegate any of these functions within the Department of the Treasury. All agencies of the United States Government shall take all appropriate measures within their authority to carry out the provisions of this order.

Sec; 9. (a) Nothing in this order shall be construed to impair or otherwise affect:

(i) the authority granted by law to an executive department or agency, or the head thereof; or

(ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(b) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.

(c) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

Sec. 10. This order is effective at 9:00 a.m. eastern daylight time on August 5, 2019.

Dow plunges 500 points as global trade fears spark overseas rate cuts

The Dow Jones industrial average dropped more than 2 percent within minutes of the opening bell as investors absorbed a spate of overseas interest rate cuts in the face of continued uncertainty over the U.S. trade war with China

Global markets plunge after China slaps back at U.S., escalating trade war with no end in sight

Stocks sputtered after China essentially weaponized its currency by allowing the yuan to fall to an 11-year low against the dollar. The move, which makes Chinese exports cheaper and American goods more expensive in China, draws a rebuke from President Trump, who accused Beijing of "currency manipulation."

The market spiral comes on the heels of U.S. stocks' worst week of 2019.

Trump Imposes New Sanctions on Russia Over Skripal Poisoning

Jamie Ross Reporter
Published 08.02.19 7:11AM E

The Trump administration has imposed a fresh set of sanctions on Russia over the alleged poisoning of former Russian spy Sergei Skripal. The Financial Times reports Donald Trump signed an order to mandate a second set of sanctions over the alleged hit job. Skripal and his daughter Yulia were exposed to a nerve agent in Salisbury, England, in March 2018, in an attack that the United Kingdom blamed on Moscow. The Trump administration announced the first set of sanctions over the alleged attack in August 2018.

There was a requirement to impose more sanctions within 90 days of the first if the administration couldn't guarantee Russia was no longer using chemical weapons. Trump missed that deadline, but has now imposed the new set of sanctions. The announcement came one day after Trump had a call with Vladimir Putin, but it's unknown if sanctions were discussed.

TRUMP TWEETS ADDITIONAL TARIFF's ON CHINA IMPORTS

WASHINGTON, Aug 1 (Reuters) - U.S. President Donald Trump said on Thursday he would impose an additional 10% tariff on $300 billion worth of Chinese imports starting Sept. 1, as talks aimed at easting tensions between the world's two largest economies continue.

"Trade talks are continuing, and during the talks the U.S. will start, on September 1st, putting a small additional Tariff of 10% on the remaining 300 Billion Dollars of goods and products coming from China into our Country. This does not include the 250 Billion Dollars already Tariffed at 25%," Trump tweeted.

In a string of tweets, Trump also faulted China for not following through on promises to buy more American agricultural products and personally criticized Chinese President Xi Jinping for failing to do more to stem sales of the synthetic opioid fentanyl.

U.S. stock prices fell after Trump's announcement, with the Dow Jones Industrial Average falling into negative territory. U.S. and Chinese negotiators ended two days of talks in Shanghai on Wednesday with little sign of progress, although both countries described the negotiations as constructive. Another round of meetings between the negotiators has been scheduled for September.

The United States and China have been locked in a trade war marked by tit-for-tat tariffs since last year. The tensions have disrupted global supply chains and roiled financial markets.

(Reporting by Makini Brice and Susan Heavey; editing by Tim Ahmann, Dan Grebler and Jonathan Oatis)

Trump says he will impose new tariffs on $300 billion in Chinese imports starting next month, ending brief ceasefire in trade war

The 10 percent import penalty will start Sept. 1, a cost that would mean almost all goods sent to the United States from China would face tariffs. The tariffs could push the cost of many consumer products higher in the second half of the year

Chinese billionaire indicted in U.S. for alleged $1.8 billion aluminum tariff evasion

By Makini Brice and Jonathan Stempel

WASHINGTON/NEW YORK (Reuters) - A Chinese billionaire has been indicted by a grand jury on charges he schemed with the aluminum company he founded to evade $1.8 billion of tariffs by smuggling huge amounts of the metal into the United States, federal prosecutors said on Wednesday.

Liu Zhongtian, 55, and China Zhongwang Holdings Ltd <1333.HK>, where he served as chairman and president, were among several defendants charged in a 24-count indictment by a Los Angeles grand jury.

The May 7 indictment had been kept under seal until late Tuesday. It came as U.S. and Chinese negotiators resumed talks to end trade tensions between the world's two largest economies.

Neither Zhongwang or Liu, who is still the company's controlling shareholder, have received any notice of the proceedings, the company said in a statement to the Hong Kong stock exchange on Thursday.

Zhongwang has previously described smuggling allegations as "misleading" and "without any factual basis."

"The company would like to clarify that the group has always strictly abided by in its business operation the laws and regulations of the People's Republic of China and destination countries of its exported products, and has developed overseas markets under the principle of fair and orderly competition," it said in the statement to the exchange.

Zhongwang's shares fell as much as 20.9% on Thursday to HK$3.17 ($0.41), the lowest since January 2016.

Liu is believed to be in China, which does not have an extradition treaty with the United States, and an arrest warrant has been drawn up, according to The Wall Street Journal. It was unclear whether Liu has a U.S.-based lawyer. Liu and his family are worth $3.2 billion, Forbes magazine said.

Prosecutors said the alleged scheme began as early as 2008, and eventually involved efforts to escape duties imposed by the U.S. Department of Commerce in 2011 on various types of extruded aluminum imported from China.

The indictment said companies affiliated with Liu went through ports in the Los Angeles area to import aluminum extrusions that were "tack-welded" together, to appear as finished "pallets" that were not subject to duties.

Prosecutors said Liu would then stockpile the aluminum at four southern California warehouses, and with his associates orchestrate bogus sales to companies he controlled to inflate Zhongwang's financials and make it appear more valuable.

Liu, also known as "Big Boss" and "Uncle Liu" according to the indictment, was also accused by prosecutors of running a "massive" money laundering operation involving the use of shell companies to transfer funds to Zhongwang.

U.S. authorities said the scheme gave Liu's companies an unfair advantage over American rivals and posed other hazards.

"Our national security is jeopardized when domestic industry loses its ability to develop and supply products for U.S. defense and critical infrastructure applications, forcing us to become dependent on unreliable imports," Joseph Macias, special agent in charge for homeland security investigations in Los Angeles, said in a statement.

Liu and several other defendants face charges of wire fraud, money laundering, passing fraudulent papers through a customhouse and conspiracy.

Most counts carry a maximum 20-year prison term, and if served consecutively carry a maximum 465-year term.

The case is U.S. v Liu et al, U.S. District Court, Central District of California, No. 19-cr-00282.

(Reporting by Makini Brice in Washington, and Jonathan Stempel in New York; additional reporting by Tom Daly in BEIJING; editing by David Gregorio and Christian Schmollinger)

Manufacturing woes weigh on eurozone economy

LONDON (AP) — A sharp downturn in Germany's manufacturing sector is weighing heavily on the 19-country eurozone economy, which is close to seeing a drop in overall activity, a survey showed Monday.

In its monthly overview of the manufacturing and services sectors, financial data firm IHS Markit said its composite purchasing managers' index for the eurozone fell to 51.5 points in July from 52.2 the previous month. The fall takes the index close to the 50-point threshold that separates a fall in output from an increase.

The index masked differences between the sectors, with services continuing to grow solidly but manufacturing posting an accelerated fall in output.

"Trade war worries, slower economic growth, falling demand for business equipment, slumping auto sales and geopolitical concerns such as Brexit led the list of business woes, dragging manufacturing production lower at its fastest rate for over six years," said the firm's chief business economist, Chris Williamson.

Germany is faring particularly badly with growth now at its lowest rate in more than six years, according to IHS Markit. Its purchasing managers' index slipped to 50.9 as a rapidly deteriorating manufacturing sector almost entirely offset robust growth in the services sector. Italy fared little better than Germany, despite growth edging up slightly to a four-month high. Among the big eurozone economies, France fared best, albeit at a subdued tick. Spain saw modest growth.

The overall pace of quarterly economic growth appears to have slowed to just 0.1%, Williamson said. Figures released last week showed that the eurozone expansion in the second quarter halved to 0.2%, further raising expectations that the European Central Bank will inject another dose of stimulus into the economy at its next meeting on Sept. 12.

Analysts say the ECB could cut its deposit rate on money left overnight at the ECB by commercial from minus 0.4% to minus 0.5%. The unusual negative rate is in effect a penalty aimed at pushing banks to lend excess cash rather than letting it pile up at the ECB.

ECB President Mario Draghi has also said the bank has asked staff to study a possible re-start to the bond-buying stimulus program, which pumps newly created money into the financial system. It was only last December that the ECB halted its nearly four-year bond-buying program, which pumped 2.6 trillion euros ($2.9 trillion) into the eurozone economy in an attempt to revive the economy and get inflation up toward the bank's goal.

Pentagon puts $10B contract on hold after Trump swipe at Amazon

By JACQUELINE FELDSCHER

08/01/2019 04:07 PM EDT

The Pentagon is slamming the brakes on its mega-competition to award a $10 billion cloud computing contract after President Donald Trump suggested the Defense Department might have rigged the contest in favor of Amazon, a frequent target of his criticism.

Defense Secretary Mark Esper, who assumed his post July 23, is now reviewing accusations of unfairness in the fiercely fought competition, the Pentagon announced Thursday, marking the president's latest incursion into the arcane world of Defense Department contracting. Oracle has reportedly waged an aggressive lobbying campaign to push back on the competition, including talking with members of Congress and preparing a graphic that made its way to the president's desk.

"Secretary Esper is committed to ensuring our warfighters have the best capabilities, including Artificial Intelligence, to remain the most lethal force in the world, while safeguarding taxpayer dollars," Elissa Smith, a Pentagon spokesperson, said in a statement Thursday. "Keeping his promise to Members of Congress and the American public, Secretary Esper is looking at the Joint Enterprise Defense Infrastructure (JEDI) program. No decision will be made on the program until he has completed his examination."

The latest scrape once again pits Trump against Amazon, whose founder and CEO Jeff Bezos also owns The Washington Post and has become a growing powerbroker in the D.C. region.

The review is expected to delay the award of the Joint Enterprise Defense Infrastructure, or JEDI, contract, which the Pentagon had hoped to award in August. JEDI would give the Pentagon a single, secure cloud computing system for data ranging from personnel statistics to intelligence information, instead of the more than 500 clouds used by different parts of the military today.

The contracting process has been plagued by controversy that pre-dates Trump's involvement, including allegations by rival bidders that the competition unfairly favored Amazon because of perceived conflicts of interest. Companies have also raised issues with the Pentagon's decision to choose just one company for the contract, citing a lack of competition and security concerns. Four companies — Oracle, IBM Corp., Amazon and Microsoft — initially bid for the winner-take-all contract. Amazon and Microsoft are the only two finalists.

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Oracle sued the Defense Department in December, alleging that the Pentagon unfairly crafted the requirements to benefit Amazon. The company has also raised concerns about a former Amazon employee who moved to the Pentagon and worked on the project before recusing himself. The employee later returned to a job at Amazon.

Competitors have also taken issue with two meetings former Defense Secretary Jim Mattis had with high-ranking Amazon employees. The first was in March 2017, when Mattis met with Teresa Carlson, the vice president of Amazon Web Services, at a dinner in London, according to The Wall Street Journal. Mattis also met with Bezos in August 2017.

In July, a judge ruled in favor of the Pentagon, finding that Oracle did not meet the contract requirements. Oracle had also filed a protest with the Government Accountability Office, which found that the Pentagon's procurement process was fair.

Late last week, the Pentagon shot back at Oracle in a fiery statement following the court decision, calling the contractor's allegations "the subject of poorly-informed and often manipulative speculation."

Despite the court ruling that the competition is fair, Trump recently asked officials to review the contracting process after companies competing against Amazon lodged "tremendous complaints."

"They are saying it wasn't competitively bid," Trump said at the White House on July 18. "Some of the greatest companies in the world are complaining about it ... I will be asking them to look at it very closely to see what's going on because I have had very few things where there has been such complaining."

White House aides have shown Trump a briefing slide created by Oracle's top lobbyist that attempts to illustrate how the Pentagon unfairly favored Amazon in the competition, CNN reported.

The chart, which includes photos of current and past defense officials linked by hearts and dollar signs, is likely an attempt to appeal to the president's animosity toward Amazon owner Bezos. Trump regularly blasts both Bezos and Amazon on Twitter and also routinely criticizes the Post for its coverage of his administration.

The president even mocked Bezos in January after the CEO became the subject of a National Enquirer expose on his marital troubles. "So sorry to hear the news about Jeff Bozo being taken down by a competitor whose reporting, I understand, is far more accurate than the reporting in his lobbyist newspaper, the Amazon Washington Post," Trump tweeted.

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While it's highly unusual for a president to get involved in the details of specific Pentagon acquisition projects, it's becoming standard practice for Trump. He inserted himself into contract negotiations for a batch of F-35 fighter jets to try to lower the price. He also weighed in on the Air Force One contract with Boeing.

Some members of Congress have urged the president to get involved in the contracting process for JEDI to ensure there is enough competition and that the Pentagon is getting the best deal possible. A group of representatives sent a letter to Trump on July 23, asking him to wait to award the contract until the Pentagon had investigated any potential conflicts of interest.

"As commander-in-chief, we know that you want both the best technology for our warfighters and the best deal for taxpayers," the letter reads.

Others, however, urged the Pentagon to move forward so it can fast-track certain technologies, such as artificial intelligence, that will help it compete with China. Four Republican lawmakers last month asked the president to let the program progress, Reuters reported.

"We believe that it is essential for our national security to move forward as quickly as possible with the award and implementation of this contract," said the letter signed by Rep. Mac Thornberry (R-Texas), the ranking member of the House Armed Services Committee.

Some outside experts agree a delay would harm national security. Tom Spoehr, the director of the Heritage Foundation's Center for National Defense, told POLITICO a delay in the program would "just perpetuate the status quo."

"It's hard to capture the shortcomings of the status quo because people are living under it right now," said Spoehr, who recently co-authored a paper urging the president to let the acquisition continue. "You delay the savings involved with a single cloud."

Treasury Designates China as a Currency Manipulator

August 5, 2019
Washington – The Omnibus Trade and Competitiveness Act of 1988 requires the Secretary of the Treasury to analyze the exchange rate policies of other countries. Under Section 3004 of the Act, the Secretary must "consider whether countries manipulate the rate of exchange between their currency and the United States dollar for purposes of preventing effective balance of payments adjustments or gaining unfair competitive advantage in international trade." Secretary Mnuchin, under the auspices of President Trump, has today determined that China is a Currency Manipulator.

As a result of this determination, Secretary Mnuchin will engage with the International Monetary Fund to eliminate the unfair competitive advantage created by China's latest actions.

As noted in the most recent Report to Congress on the Macroeconomic and Foreign Exchange Policies of Major Trading Partners of the United States ("FX Report"), China has a long history of facilitating an undervalued currency through protracted, large-scale intervention in the foreign exchange market. In recent days, China has taken concrete steps to devalue its currency, while maintaining substantial foreign exchange reserves despite active use of such tools in the past. The context of these actions and the implausibility of China's market stability rationale confirm that the purpose of China's currency devaluation is to gain an unfair competitive advantage in international trade.

The Chinese authorities have acknowledged that they have ample control over the RMB exchange rate. In a statement today, the People's Bank of China (PBOC) noted that it "has accumulated rich experience and policy tools, and will continue to innovate and enrich the control toolbox, and take necessary and targeted measures against the positive feedback behavior that may occur in the foreign exchange market." This is an open acknowledgement by the PBOC that it has extensive experience manipulating its currency and remains prepared to do so on an ongoing basis.

This pattern of actions is also a violation of China's G20 commitments to refrain from competitive devaluation. As highlighted in the FX Report, Treasury places significant importance on China adhering to its G-20 commitments to refrain from engaging in competitive devaluation and to not target China's exchange rate for competitive purposes. Treasury continues to urge China to enhance the transparency of China's exchange rate and reserve management operations and goal.

Trump expands Venezuela sanctions into embargo

President Trump announced an executive order Monday night expanding sanctions against Venezuela into a full economic embargo.

The executive order signed Monday freezes all assets of President Nicolás Maduro's government and bars transactions with it without specific exemptions, the first such action against a Western government in decades. The only other countries subject to such sanctions are North Korea, Iran, Syria and Cuba, according to The Wall Street Journal.

"I have determined that it is necessary to block the property of the Government of Venezuela in light of the continued usurpation of power by the illegitimate Nicolas Maduro regime," Trump said in a letter to the House of Representatives and Senate that accompanied the executive order.

The letter also cites "the regime's human rights abuses, arbitrary arrest and detention of Venezuelan citizens, curtailment of free press, and ongoing attempts to undermine Interim President Juan Guaido of Venezuela and the democratically-elected Venezuelan National Assembly."

The U.S. in January formally recognized Guaidó as the nation's interim leader, followed by more than 50 other nations. However, the opposition has yet to successfully topple Maduro despite U.S. backing. In a leaked recording in June, Secretary of State Mike Pompeo confessed that keeping the opposition united had been "devilishly difficult."

Proposal Would Require Customs Brokers to Collect Certain Information to Verify Importer Identity

Wednesday, August 14, 2019
Sandler, Travis & Rosenberg Trade Report

CBP is seeking input by Oct. 14 on a proposal to require customs brokers to collect certain information from importers to enable the customs brokers to verify the identity of importers, including nonresident importers. CBP is proposing these amendments pursuant to section 116 of the Trade Facilitation and Trade Enforcement Act of 2015, which directs the agency to promulgate regulations to require brokers to verify the identity of the importers who are their clients.

Before a customs broker may transact customs business on behalf of a client, the broker must obtain a valid power of attorney. CBP notes that while only a limited amount of information is required for a valid POA, the majority of customs brokers currently require additional information when a POA is obtained from an importer, which is used by the broker to verify the importer's existence and identity. Brokers require this additional information and have initiated processes and procedures to validate an importer's identity in order to protect the broker's business interests, reduce identity theft, and help to prevent the use of shell or shelf companies to further a business fraud scheme.

Additional information that a broker might request includes the registration of the importer's business with a state government and the articles of incorporation under which that business is formed. CBP also provides non-binding guidance on how brokers can validate importers when they obtain a POA.

Since the collection and verification of any additional information from the importer is voluntary, CBP claims that an atmosphere of "broker shopping" has been created where an importer that does not wish to provide this additional information might refuse to provide it to one broker in the hopes that another broker will not ask for it. CBP adds that if the second broker does not request the additional information, that broker will transact customs business on the importer's behalf with minimal information about the importer, leading to the possible use of shell or shelf companies, revenue loss, increased security risks with the goods being imported into the U.S., and an uneven playing field for brokers.

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CBP is therefore proposing to amend its regulations to standardize the process by which customs brokers verify the identity of their importer and nonresident importer clients. Specifically, at the time the POA is obtained the broker would be required to collect, at a minimum, the following information from the client, if applicable:

- the client's name;

- for a client who is an individual, the client's date of birth;

- for a client that is a partnership, corporation, or association, the grantor's date of birth and the client's trade or fictitious names;

- the address of the client's physical location (for a client that is a partnership, corporation, or association, the physical location would be the client's headquarters) and telephone number;

- the client's email address and business website;

- a copy of the grantor's unexpired government-issued photo identification;

- the client's Internal Revenue Service number, employer identification number, or importer of record number;

- the client's publicly available business identification number (e.g., Data Universal Numbering System number, etc.);

- a recent credit report;

- a copy of the client's business registration and license with state authorities; and

- the grantor's authorization to execute POA on behalf of client.

CBP states that the broker would have to collect all the information that is applicable to that particular client. Some information might not be applicable to a client depending on whether the client is an individual, partnership, corporation, or association. For example, a small business might not have a business website, or a client who is an individual would not have a business registration and license with state authorities or a publicly available business identification number. Additionally, if certain foreign jurisdictions do not provide credit reports the broker would not be required to collect a recent credit report from that client.

Trump officially designates Brazil a non-NATO ally

BY BRETT SAMUELS - 07/31/19 08:54 PM EDT

President Trump on Wednesday officially designated Brazil as a major non-NATO ally, making it easier for the South American country to purchase U.S. weapons and defense equipment.

The president sent a memo to Secretary of State Mike Pompeo late Wednesday notifying him of the change, which he had hinted atearlier this year.

Sixteen other countries have major non-NATO ally status, including South Korea, Australia, Argentina and Kuwait. Colombia is the only other Latin American nation affiliated with NATO as a "global partner," meaning it would not necessarily have to engage in military action.

Trump said during a visit in March from Brazilian President Jair Bolsonaro that he intended to make the country a major non-NATO ally. He suggested the country could be considered to be added to NATO, but the alliance would have to invite Brazil to join.

The president has offered frequent praise for Bolsonaro, who earned the nickname "Trump of the Tropics" last year when he ran a populist right-wing campaign that railed against the government establishment. He also drew backlash for inflammatory comments about minorities and women.

"He's a great gentleman," Trump said of Bolsonaro on Tuesday. "In fact, they say the 'Trump of Brazil.' I like that. That’s a compliment

Web Notice: The Directorate of Defense Trade Controls (DDTC) is currently in the process of modernizing its IT systems. During this time period, we anticipate there may be delays in response times and time to resolve IT related incidents and requests. We apologize for any inconvenience, and appreciate your patience while we work to improve DDTC services. If you need assistance, please contact the DDTC Service Desk at (202) 663-2838, or email at DtradeHelpDesk@state.gov (06.28.16)

“A little progress each day adds up to big results”

The U.S. will add China General Nuclear Power Group, the country's biggest state-owned nuclear company, to its "entity list," the Department of Commerce said Tuesday.

With the change, American companies will be barred from selling products to China General Nuclear Power. The Commerce Department says the company diverts U.S. technology to military use. The U.S. government in October 2018 announced restrictions on the export of civil nuclear technology to China. The latest decision will cut off CGN's access to U.S. technology.

Beijing has named nuclear technology a priority under its "Made in China 2025" initiative that aims to transform the country into a high-tech powerhouse. Washington is responding to the initiative by tightening restrictions on Chinese tech companies through embargoes and other measures.

On Wednesday CGN and three affiliates will be added to the entity list, which comprises companies that Washington believes pose a security risk. Companies on the list are required to obtain approval from Commerce Department when shipping materials and technology from the U.S. But in practice, such approvals are rarely granted.

Nuclear power plants being built by CGN include some that the Chinese company says it has "independently developed," based on technology from U.S. nuclear plant builder Westinghouse Electric. The move by the Commerce Department could hamper Beijing's nuclear expansion plans, as CGN is China's biggest company in the industry