SPC&B Update

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Global Trade Update



Global Trade Update -- Recent Actions Taken by Mexico, China and the EU

It can be difficult staying up to date on rules and regulations applicable to products being sold around the world. In this Update, we have highlighted just a few recent regulatory changes made by foreign governments, which will affect products being imported in those countries. Toward this end, we routinely advise our clients on global marking and other requirements. Accordingly, set forth below are just a few examples of the actions that can affect global transactions. If you have any questions regarding the regulations applicable to the merchandise your company sells outside of the United States, please let us know.

Mexico

In a recent update of generic fiber names that can be used on textile and apparel labels, the Mexican government slipped in a brand new requirement that all fibers must be listed in lower case letters rather than capital letters. There are reports that the initial effective date, since passed, has been postponed and that the new requirement will be enforced starting in September 2015. We will keep you apprised of any further developments.

China

The Chinese government recently reduced import duties on consumer goods, including certain apparel, footwear, skin care products and disposable diapers, on average by more than 50%. The cuts are intended to increase domestic demand, stimulate domestic industry upgrades, and meet consumer demands for diverse consumer products. Imports of footwear and apparel have been risen lately, due to their increasing popularity in China. A list of the tariff provisions for which the duties have been reduced is available upon request.

EU

The European Union (EU) recently added lead to the REACH Regulation, which restricts certain chemicals and other substances of high concern. Under the new restriction, articles or individual parts of articles that can be mouthed by children and which contain more than 500 ppm of lead will not be allowed on the EU market. Although the restriction has already gone into effect, distributors are being provided a grace period in order to sell off any existing stock that may not be in compliance. Accordingly, the 500 ppm limit will not apply to articles placed on the market for the first time before June 1, 2016. There also are certain exempt products and the Regulation specifies that if it can be demonstrated that the rate of lead release does not exceed 0.05 ug/cm2 per hour, the 500 ppm restriction does not apply.

For further information on global trade matters, please contact Gail T. Cumins at <u>gcumins@spcblaw.com</u>, Alli Baron at <u>abaron@spcblaw.com</u>, or Donna Shira at <u>dshira@spcblaw.com</u>, or call us at 212-425-0055.

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