

Procedure Instruction for Suppliers – US Import Requirements for Steel, Aluminum, and Copper Products

Dear Sir or Madam,

As part of our deliveries to the United States of America, we are obliged to comply with the requirements of the **US customs regulations according to Section 232 of the Trade Expansion Act of 1962 (19 U.S.C. §1862)**.

These regulations stipulate increased customs duties for products made of steel, aluminum, and copper, as well as their derivatives, which apply exclusively to the metal content.

To ensure correct customs clearance, we require the following information from you for all affected products:

1. Mandatory information on the invoice or an attachment

- **Customs tariff number (at least 8-digit HTS code)** of the delivered product.
- **Total value of the item** (including processing and “value added”) in US dollars.
- **Breakdown of material value:**
 - o Value of the metal content (steel, aluminum, or copper), preferably in US dollars.
- **Net weight of the metal content in kg.**
- **Country of melt (“Country of Melt & Pour”)** for steel or **Smelt/Cast** for aluminum.
 - o This information is mandatory; if missing, increased customs duties may apply (up to 200% for aluminum of unknown origin).

2. Calculation of material value

- **Primary method (recommended):** Purchase price of the raw material per kg × net weight of the component.

Proof by individual invoices is required and must be presented in the event of a US customs audit.

- **Alternative method:** Average price (batch price or moving average price) × net weight, if individual invoices are not available.

Please justify the use of this method in writing.

3. Background on US customs regulations

- **Section 232 duties:**
 - o Steel and aluminum: currently **50% duty** on the metal content.
 - o Copper: also **50% duty** on the metal content.
- **HTSUS classification:**
 - o Additional codes under Chapter 99 for Section 232 application (e.g., 9903.81. xx for steel, 9903.85.xx for aluminum).
- **Consequence of missing information:**
 - o Without correct declaration, the duty rate is applied to the **total value of the item**.
 - o For aluminum without proof of origin: **200% duty**.

4. Documentation requirement

- All information must be included on the **commercial invoice** or an **attachment with reference to the invoice number**.
- In the event of a US customs audit, the supplier must provide evidence of the determined material values. Retention period: five years from the date of import into the USA.
- Please ensure that your internal systems can reliably record and provide this data.

Why is this important?

This information is strictly required to ensure correct import customs clearance in the USA and to avoid unnecessary costs and delays. Your support is crucial for compliance with legal requirements and for securing our supply chains.

We thank you for your cooperation and are available for any questions at any time.

Kind regards

Vice President Global Supply Chain Management

KNAPP AG