



Forced Labor / Human Rights

Uyghur Forced Labor Prevention Act

- July 2020: the US government issued a *Xinjiang Supply Chain Business Advisory*.
- The advisory highlighted the risks of outbound and inbound exposure to entities engaging with or indirectly supporting forced labor and human rights abuses in Xinjiang.
- September 22, 2020: U.S. the House unanimously passed the Uyghur Forced Labor Prevention Act
- December 23, 2021: President Biden passed the Act which:

barred goods produced and/or processed by these entities including cotton, apparel, computer parts and hair products.

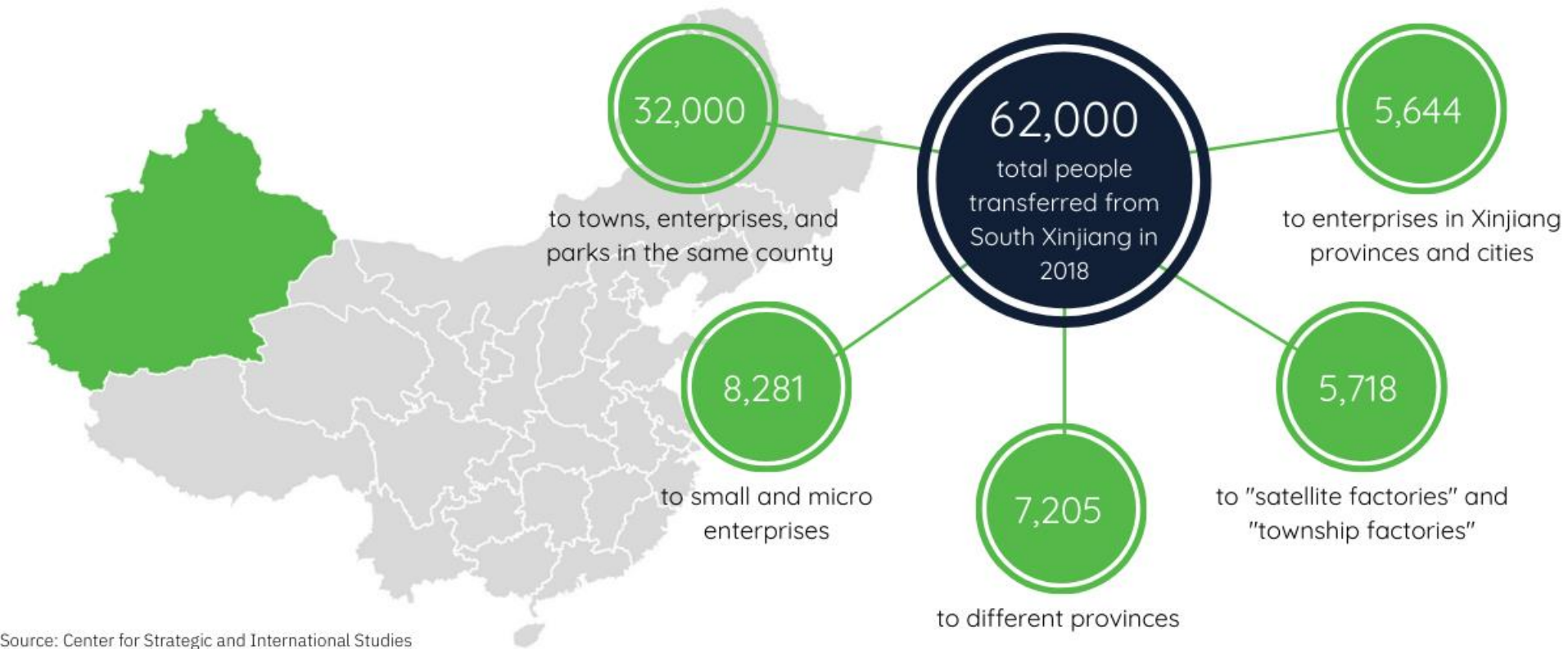


Uyghur Forced Labor Prevention Act

- The Uyghur Forced Labor Prevention Act prohibits the importation of “goods, wares, articles, and merchandise mined, produced, or manufactured wholly or in part” using forced labor under rebuttable presumption.
- All goods from Xinjiang Uyghur Autonomous Region (XUAR) are considered tainted and denied entry on U.S. soil unless -
 - U.S. Customs and Border Protection (CBP) can determine that they weren’t “manufactured by convict labor, forced labor, or indentured labor under penal sanctions.”



Detention Camps Associated With Forced Labor



Source: Center for Strategic and International Studies

Complying with the Uyghur Forced Labor Prevention Act

- Effective June 21, 2022, companies or government programs doing business or associated with Xinjiang will be subject to the presumption of guilt.
- Public companies are required to file periodic reports disclosing any engagement with facilities/activities responsible for or complicit with, forced labor, human rights abuse, mass surveillance, and other atrocities.
- Non-compliance will result in the seizure of the goods and potential civil and criminal penalties against the importer.



Exceptions to the Import Ban

- Importers of goods covered by the UFLPA may still be able to rebut the presumption against importation.
- Presumption will not be applied if the Commissioner of CBP determines that the importer of record has:
 - Fully complied with all due diligence and evidentiary guidance established by the Forced Labor Enforcement Task Force (FLETf) pursuant to the Act, along with any associated implementing regulations; and
 - Completely and substantively responded to all CBP inquiries seeking to ascertain whether the goods were produced with forced labor; and
 - “Clear and convincing” evidence shows that the goods were not produced wholly or in part with forced labor.
- Each time the Commissioner determines that an exception to the import ban is warranted the Commissioner must submit a report to Congress within 30 days, identifying the goods subject to the exception and the evidence upon which the determination is based.

Forced Labor Enforcement Task Force

- **The Task Force will update the congressional committees quarterly with additional actions/strategies required and information on:**
 - products made wholly or in part by forced labor in the Region
 - businesses that sold products in the United States made by forced or involuntary labor
 - facilities/entities that source material from the Region for purposes of the “poverty alleviation” program or the “pairing-assistance” program
 - high-priority sectors for enforcement, which include cotton, tomatoes, polysilicon
 - additional resources necessary for U.S. Customs and Border Protection to effectively implement the enforcement strategy
 - A plan to coordinate and collaborate with appropriate non-governmental organizations and private sector entities to discuss the enforcement strategy

Global Efforts to Address Forced Labor in the XUAR

Jurisdictions around the globe have developed a variety of new strategies for eliminating the importation of goods produced with forced labor:

- USA
- European Union
- United Kingdom
- Canada
- Australia
- New Zealand



Immediate Concerns for Importers

- Public engagement process required by the Act is a critical opportunity to impact CBP's new enforcement strategy.
- Global supply chain concern that CBP will increase scrutiny of the importer's entire supply chain.
- Requires assessment of direct supply chain impact
- Heightened need for streamlined approach & collaboration

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