

Forced Labor Violations

Fast Facts:

- Section 307 of the Tariff Act of 1930 (19 U.S.C. § 1307) prohibits the importation of all goods, wares, articles and merchandise mined, produced or manufactured, wholly or in part, in any foreign country by convict, forced and/or indentured labor (including children).
- As such, the US Secretary of the Treasury is authorized and directed to prescribe any regulations deemed necessary for the enforcement of this provision.
- US Customs and Border Protection (CBP) will issue a Withhold Release Order (WRO) following an investigation into forced labor if it determines that the information available “reasonably but not conclusively” indicates that the merchandise is being—or is likely to be—imported in violation of Section 307.
- CBP personnel at ports of entry are instructed to detain shipments that contain merchandise suspected of being made by forced labor.
- WROs are not an outright ban – importers have the opportunity to demonstrate that the merchandise in question was not made using forced labor.

How Importers Can Assess Supply Chains:

Map the Transaction



Identify each party from the raw material providers, intermediate material producers, processors, finished goods factory, intermediaries, transport companies, etc.

Understand the Role of Each Party



Carefully research each party to identify any potential connection to the WRO. Various factors to consider include: public source documents; ILO forced labor indicators; CBP publications on forced labor.

Document Each Stage of Transaction



Document everything from the raw material sourcing to the exportation of the goods to the US; such as commercial documents, production records, transactional flows & supplementary info.

What Can Importers Do to Help Combat Forced Labor?

In addition to performing supply chain assessments, the US Department of Labor (DOL) recommends that importers have a comprehensive and transparent social compliance system in place to help mitigate risk and ensure internal controls.

How to Set Up a Social Compliance System:

