

## Report on Supply Chain Compliance Volume 3, Number 14. July 23, 2020

### US government detains goods from China, issues advisory on Xinjiang

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On May 1 and June 17, the United States Customs and Border Protection (CBP) issued a Withhold Release Order<sup>[1]</sup> for a shipment of goods originating in China. Officers at the port of New York detained a shipment of hair products suspected to have been made with human hair from forced labor in Xinjiang.

Most recently, a report<sup>[2]</sup> by the International Cyber Policy Centre in cooperation with the Australian Strategic Policy Institute alleged widespread forced labor and human trafficking in Xinjiang. The report was met with derision by Chinese authorities, but governments around the world took note, and several agencies, including CBP, have stepped up enforcement activities.

The detention was followed by an advisory published July 1 regarding supply chain risks posed by oppression in Xinjiang. The advisory, “Risks and Considerations for Businesses with Supply Chain Exposure to Entities Engaged in Forced Labor and other Human Rights Abuses in Xinjiang,”<sup>[3]</sup> was issued jointly by the U.S. Departments of State, the Treasury, Commerce, and Homeland Security. The advisory cautions companies working with entities in Xinjiang—entities working outside the region that use labor or goods from Xinjiang—that they may incur reputational, economic and perhaps legal consequences due to the prevalence of forced labor in that region. They specifically point out three types of supply chain exposure that companies should be aware of:

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