

## Executive Order Grants Reprieve from Certain Penalties and Regulatory Requirements

Due to the need to mitigate the economic consequences caused by COVID-19, the White House issued an executive order on May 19, 2020 to modify regulations that might inhibit economic recovery. While these modifications are consistent with applicable laws, they affect the trade landscape in ways that benefit private industry and give business operators the benefit of the doubt regarding adherence to trade practices.

The executive order issues a number of directives to agencies and enumerates the revisions to be made regarding the enforcement and adjudication of certain practices and procedures. The order outlines guiding principles for making these revisions, including the following:

- 1) The Government should bear the burden of proving an alleged violation of compliance.
- 2) Administrative enforcement agencies should provide those entities subject to enforcement actions any favorable relevant evidence in the government's possession.
- 3) Penalties should be proportionate, transparent, and imposed in adherence to consistent standards and only as authorized by law.
- 4) Agencies must be accountable for their administrative enforcement decisions.
- 5) Enforcement should be prompt and fair and free of unfair surprise.
- 6) Liability should be imposed only for violations of statutes or duly issued regulations after notice and an opportunity to respond.

In sum, this EO is designed to direct enforcement agencies to acknowledge the compliance efforts businesses make and to require these agencies to remain committed to fairness above all in pursuing investigations of statutory violations. The executive order directs federal agencies to "review any regulatory standards they have temporarily rescinded, suspended, modified or revived" during this pandemic that may impede economic recovery. The objective of this order is to allow agencies to act more swiftly on a number of trade-related measures including refund requests, drawback applications, foreign-trade zone actions, tariff exemptions and so forth.

Source: White House, May 19, 2020, retrieved May 27, 2020

<https://www.whitehouse.gov/presidential-actions/executive-order-regulatory-relief-support-economic-recovery/>

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