

CBP Focus on Forced Labor in Malaysia and the Seafood Industry Continues with New WRO and Findings

Written by Luciano Racco

February 1, 2022

Key Takeaways:

- U.S. Customs and Border Protection (“CBP”) trend of enforcement against forced labor in supply chains continues and forced labor in Malaysia and on deepwater fishing vessels remain key areas of focus for CBP
- New WRO blocks import of rubber gloves from Malaysian producer
- Two new findings of forced labor issued on palm oil and seafood products

On Friday, January 28, 2022, U.S. Customs and Border Protection (“CBP”) [issued a Withhold Release Order](#) (“WRO”) on disposable gloves produced in Malaysia by TY Industry Holdings Sdn Bhd (“TYT Group”), including TYT Industry Sdn Bhd, Green Prospect Sdn Bhd, and GP Lumut. WROs are issued by CBP pursuant to the Tariff Act and block the import of products into the U.S. based on reasonable evidence that such products are made in whole or in part with forced labor. This is the sixth active WRO issued on certain Malaysian products—there are four active WROs on disposable gloves and two active WROs on palm oil originating from Malaysia.

On the same day, CBP issued two new findings of forced labor. Findings also block products made with forced labor from entering the U.S., but are issued by CBP based upon conclusive evidence of forced labor. Unlike WROs, products subject to a finding will be seized at all ports of entry into the U.S. and may not be re-exported to a third country. The two new findings are issued on:

- Palm oil and palm oil products produced in Malaysia by Sime Darby Plantation Berhad and its subsidiaries and joint ventures (“Sime Darby”). A WRO was [previously issued](#) by CBP on palm oil produced by Sime Darby over a year ago on December 30, 2020.
- Seafood from the Vanuatu-flagged fishing vessel, Da Wang, which is owned and operated by the Taiwanese company Yong Feng Fishery Ltd. A WRO on seafood from Da Wang [was issued](#) by CBP on August 18, 2020. While this is the first finding related to a specific fishing vessel, there are five active WROs on seafood sourced from deepwater fishing vessels.

The actions taken by CBP on Friday indicate that Malaysia – and the Malaysian palm oil and rubber glove industries in particular – continue to be a main area of focus for CBP. After China, Malaysia has the largest number of active WROs and findings. Forced labor occurring on deepwater fishing vessels, where workers are particularly vulnerable to isolation and abuse, also remains a key area of concern. Foley Hoag has previously reported on forced labor in the seafood industry [here](#).

Forced labor in the seafood industry is also an area of focus in the [America COMPETES Act of 2022](#) (H.R. 4521), which was introduced in the House on January 25, 2022, and, as currently drafted, would require the expansion of seafood import monitoring to combat human trafficking, in addition to numerous other trade, foreign policy, and national security measures.

More information on WROs and guidance from CBP regarding the prevention of forced labor is [available here](#). A complete list of all CBP actions related to forced labor is [available here](#).

Foley Hoag’s [Trade Sanctions & Export Controls](#) and [Global Business & Human Rights](#) practice groups can provide guidance on compliance with U.S. laws and regulations, including the [Uyghur Forced Labor Prevention Act](#), as well as implementing best practices for supply chain management and developing tailored compliance procedures.

RELATED PRACTICES

- [Trade Sanctions & Export Controls](#)
 - [Global Business & Human Rights](#)
-

This communication is intended for general information purposes and as a service to clients and friends of Foley Hoag LLP. This communication should not be construed as legal advice or a legal opinion on any specific facts or circumstances, and does not create an attorney-client relationship.

United States Treasury Regulations require us to disclose the following: Any tax advice included in this document was not intended or written to be used, and it cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code.

Attorney advertising. Prior results do not guarantee a similar outcome. © 2022 Foley Hoag LLP. All rights reserved.