

Navigating the New U.S. Reciprocal Trade Policy

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TRADE COMMITTEES

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In this Webinar

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Retaliatory Measures & Negotiations

CHINA

China has announced additional retaliatory tariffs of 84% in response to US tariffs. Beijing said it was launching an additional suit against the U.S. at the World Trade Organization and further restricted American companies' trade with Chinese companies.

Many countries have requested negotiations in response to the reciprocal tariffs.

CANADA

Despite the U.S. tariff pause, Canada proceeded with its planned implementation of a 25% tariff on certain U.S.-made vehicles that are not compliant with the United States-Mexico-Canada Agreement (USMCA), effective April 9, 2025

EUROPEAN UNION

The EU had announced that retaliatory tariffs will be implemented in stages starting April 15.

EU to suspend its planned retaliatory tariffs for the same duration to allow for negotiations.

Overall New Tariff Update



Country (products of)	Products Covered	Tariff	Date	Implementation
China/Hong Kong	All	20%	3/4/2025	IEEPA Fentanyl
Canada	All, except USMCA products	25% Overall / 10% Energy & Potash	3/4/2025	IEEPA Fentanyl
Mexico	All, except USMCA products	25% Overall / 10% Potash	3/4/2025	IEEPA Fentanyl
Global	Steel & Aluminum	25% (50% for Turkey for merchandise covered under 9903.80.02)	3/12/2025	Section 232
Global	Steel & Aluminum Derivatives	25% (50% for Turkey for merchandise covered under 9903.80.02)	3/12/2025	Section 232
Global	Autos	25% (For USMCA – 25% on non-US content)	4/3/2025	Section 232
All Except China	All	10% Baseline Reciprocal	4/5/2025	IEEPA Reciprocal
China	All	125%	4/10/2025	IEEPA Reciprocal
Country-Specific	All	Country-Specific Reciprocal Rate	4/9/2025 Suspended-TBD	IEEPA Reciprocal
Global	Auto Parts	25%	5/3/2025	Section 232
Global	Copper	TBD	Report 11/22/2025	Section 232
Global	Pharmaceuticals	TBD	TBD	Section 232
Global	Agriculture	TBD	TBD	Section 232
Global	Semiconductors	TBD	TBD	Section 232
Global	Lumber, Timber & Derivatives	TBD	Report 11/26/2025	Section 232
Global	China-built ships	\$500k-\$1.5M when docking at US port	TBD	Section 301
Countries Importing Venezuelan Oil	All	25%	TBD	IEEPA

Reciprocal Tariffs – All Except China Suspended

Country (products of)	Tariff	Country (products of)	Tariff	Country (products of)	Tariff
China/Hong Kong/Macau	125%	Ethiopia	33%	Mozambique	16%
Bahamas	50%	Taiwan, Indonesia, Angola, Fiji	32%	North Macedonia	15%
Cambodia	49%	Switzerland, Moldova	31%	Namibia	14%
Laos	48%	South Africa, Algeria	30%	Democratic Republic of the Congo, Cameroon	11%
Madagascar	47%	Pakistan	29%	All Other Countries = 10% Baseline Tariff It's either/or with reciprocal tariffs and merchandise subject to Section 232 tariffs. All other tariffs stack. For articles with at least 20% U.S. content, reciprocal tariffs can be based on the value of the non-U.S. content. Articles included in Annex II are exempt. Some exemptions are available for CH98, informational materials, donations, etc. https://www.whitehouse.gov/wp-content/uploads/2025/04/Annex-II.pdf	
Vietnam	46%	Tunisia	28%		
Sri Lanka, Myanmar (Burma)	44%	Kazakhstan	27%		
Falkland Islands	41%	India	26%		
Mauritius	40%	South Korea	25%		
Iraq	39%	Japan, Malaysia, Bolivia	24%		
Guyana	38%	Côte d'Ivoire	21%		
Bangladesh, Serbia, Botswana, Liechtenstein	37%	European Union, Jordan	20%		
Thailand	36%	Norway	18%		
Bosnia and Herzegovina	35%	Israel, Zambia	17%		

10% Baseline Reciprocal Tariff

10% baseline reciprocal tariff effective April 5th

9903.01.25: Additional ad valorem duty rate of 10%

IN-TRANSIT EXEMPTION:

9903.01.28: Articles that are the product of **any country** that were :

- Loaded onto a vessel at the port of loading and in transit on the final mode of transport before entry into the United States **before 12:01 a.m. EDT on April 5, 2025**

AND

- Are entered for consumption, or withdrawn from warehouse for consumption, **on or after 12:01 a.m. EDT on April 5, 2025, and before 12:01 a.m. EDT on May 27, 2025.**

EFFECTIVE DATE FOR 10% BASELINE RECIPROCAL TARIFF:

SATURDAY, APRIL 5th

In transit exemption available until May 27th, must be in transit on the final mode of transport to the US by April 5th 12:01 EDT

China Reciprocal Tariff

125% reciprocal tariffs for products of China, Hong Kong, and Macau are effective April 10th

IN-TRANSIT EXEMPTION:

- Loaded onto a vessel at the port of loading and in transit on the final mode of transport before entry into the United States **after April 5th, 12:01 a.m. EDT and before April 9th, 2025, 12:01 a.m. EDT**

AND

- Are entered for consumption, or withdrawn from warehouse for consumption, **on or after 12:01 a.m. EDT on April 9th, 2025, and before 12:01 a.m. EDT on May 27, 2025.**

IN-TRANSIT AFTER APRIL 9th:

- Subject to 125%

EFFECTIVE DATE FOR PRODUCTS OF CHINA, HONG KONG, AND MACAU RECIPROCAL TARIFFS:

WEDNESDAY, APRIL 10th

If in-transit on the final mode to the US between April 5 – April 9 –
10% baseline tariff will apply

In transit exemption available until May 27th, must be in transit on the final mode of transport to the US by April 9th 12:01 EDT

Section 232 | Steel & Aluminum

STEEL

25% on total value of the merchandise

For **derivative steel**, if the country of melt/pour is unknown, importers can report OTH (other)

For **derivative aluminum**, if the country of cast/smelt is unknown, as an interim solution, importers may report any country other than the US and then file a correction once information is known.

Non-derivative products must report the actual country.

Green's Reference Guide:

[Section-232-Steel-and-Aluminum-Fact-Sheet-2025-powered-by-Green-Worldwide-Shipping-Final.pdf](#)

ALUMINUM

25% on total value of the merchandise

DERIVATIVES OUTSIDE OF HTS CHAPTER 73/76

25% on steel/aluminum content

To have the 25% tariff assessed on the value of the aluminum or steel contained in the product, the value and quantity of steel/aluminum contained in the article must be provided at the time of entry.

EFFECTIVE DATE:

**WEDNESDAY,
MARCH 12th**

SECTION 232

**TARIFFS APPLY
IN ADDITION TO
OTHER TARIFFS,
EXCEPT IEEPA
RECIPROCAL
TARIFFS**

**NO DRAWBACK
IS AVAILABLE**

DOWNLOAD THE GUIDE

REFERENCE GUIDE New and/or additional tariffs were issued under Section 232 for imports of certain steel and aluminum items and their derivatives, effective March 12, 2025.

Section 232 Aluminum

Aluminum tariffs are 25% on aluminum items and their derivatives listed in this Federal Register Notice
<https://www.federalregister.gov/documents/2025/03/05/2025-03596/implementation-of-duties-on-aluminum-pursuant-to-proclamation-10895-adjusting-imports-of-aluminum>

For all items included in Aluminum Section 232 Tariff Measures –

You must report the country of cast/smelt for the article imported. Impacted products can fall into four classification categories.

If you have aluminum products that are included on the Section 232 list (subdivision "g" on the FR Notice / Section 232 HTS 9903.85.02/ HTS listed below) – the 25% applies to imports of covered products, other than products of the United States, assessed on the total value of the product.

- Tubes, pipes and tube or pipe fittings provided for in heading 7608 and 7609
- Castings and forgings of aluminum provided for in subheading 7616.99.51

Please note the CH99 HTS used for Foreign Trade Zone admissions are not included in this informational reference guide document.

Any reference above to aluminum products classifiable in any heading or subheading of chapter 76, as the case may be, shall mean that any good provided for in the article description of such heading

Section 232 | Autos & Auto Parts

AUTOS

25%

April 3, 2025

For autos that qualify under USMCA, importers **may** be able to apply the 25% tariff to only the value of U.S. content. See Federal Register for details.

For auto parts that qualify for USMCA, the 25% tariff will apply to the value of the non-US content – tbd on implementation details, but likely within 90 days. As of now, USMCA-qualified parts are not subject to the tariff.

Does not apply to knock-down kits or parts compilation, Chapter 98-eligible goods (except 9802.00.60).

FTZ admissions must be in Privileged Foreign Status.

www.federalregister.gov/documents/2025/04/03/2025-05930/adjusting-imports-of-automobiles-and-automobile-parts-into-the-united-states

AUTO PARTS

25%

No later than May 3, 2025

**FEDERAL REGISTER
ANNEX I INCLUDES:**

**HTS THAT ARE
IMPACTED BY THE
SECTION 232
TARIFFS ON
AUTO/AUTO PARTS**

**NO DRAWBACK
IS AVAILABLE**



CHINA



Example of the layers of tariffs stack on certain goods from China.
This particular commodity is subject to four different tariffs!

TARIFF STACKING

IEEPA Fentanyl: 20% duty rate

Reciprocal Tariff, Annex I: 125% duty rate

Section 301: 7.5% duty rate

6404.19.3915 : 37.5% MFN duty rate

6404.19.3915

Certain house slippers

190%



CHINA

Example of a certain good listed in Annex II of the Reciprocal Tariff.
Please see in comparison to barium carbonate from India.

TARIFF STACKING

IEEPA Fentanyl: 20%
Reciprocal Tariff, Annex II: 0%
Section 301: 25%
2836.60.0000: 2.3% MFN duty rate



2836.60.0000

Barium carbonate

47.3%

ANNEX II

HTSUS	Description
28276051	Iodides and iodide oxides, other than of calcium, copper or pota
28332100	Magnesium sulfate
28332500	Copper sulfate
28332700	Barium sulfate
28332910	Cobalt sulfate
28332945	Zinc sulfate
28332951	Other sulfates nesoi
28342100	Potassium nitrate
28342920	Strontium nitrate
28342951	Nitrates, nesoi
28366000	Barium carbonate
28366100	Lithium carbonate



INDIA

Example of a certain good listed in Annex II of the Reciprocal Tariff.

Please see in comparison to barium carbonate from China. Instances like this will be helpful for buyers and purchasers who find tariffs out of China are now too high for their budgets.

TARIFF STACKING

Reciprocal Tariff, Annex II: 0%

2836.60.0000: 2.3% MFN duty rate



2836.60.0000

Barium carbonate

2.3%

ANNEX II

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28332500	Copper sulfate
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28332910	Cobalt sulfate
28332945	Zinc sulfate
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28342100	Potassium nitrate
28342920	Strontium nitrate
28342951	Nitrates, nesoi
28366000	Barium carbonate
28366100	Lithium carbonate

KOREA



These examples of rubber products highlight the difference in tariffs, when also considering that the United States and South Korea have a free-trade agreement.

WITHOUT VALID US-KR FTA

Radial Rubber Tires for Passenger Vehicles
without valid US-KR FTA

Reciprocal Tariff, Annex II: 0%

Automobile Parts: 25%

4011.10.10: 4% MFN duty rate

29%



WITH VALID US-KR FTA

Radial Rubber Tires for Passenger Vehicles
with valid US-KR FTA

Reciprocal Tariff, Annex II: 0%

Automobile Parts: 25%

4011.10.10: 0% KR FTA

25%

WITH VALID US-KR FTA

Profile shapes of noncellular vulcanized
rubber with valid US-KR FTA

Reciprocal Tariff: 10%

4008.29.20: 0% KR FTA

10%



VIETNAM



An example of how the duty rate of a commodity is impacted by both the country-specific reciprocal rate and the now reduced baseline rate.

TARIFF STACKING

Reciprocal tariff: 46% (Paused for 90 days)

Reciprocal tariff: 10% (Current rate)

6114.20.0060: 10.8% MFN duty rate

A really comfortable pair of sweatpants
that's perfect to wear while you binge
watch a new show:

~~56.8%~~

vs.

20.8%



CZECH REPUBLIC

Pilsner Urquell beer,
contained in glass bottles:

10%

TARIFF STACKING

Reciprocal Tariff: 10% rate

2203.00.0030: 0% MFN duty rate



This is an example of how essentially
the same commodity, in this case beer, can
have different duty rates, and how different
tariffs affect the outcome.

Pilsner Urquell beer, contained
in aluminum cans:

25%

TARIFF STACKING

Section 232 (Alum): 25% duty rate

Reciprocal Tariff: 0% rate

2203.00.0060: 0% MFN duty rate

Does not factor in any potential Federal Excise Tax



MEXICO



One of the exemptions on the Reciprocal Tariffs is for USMCA-eligible goods.

This highlights the difference in duty rates between goods eligible for USCMA and goods not eligible.

Certain fresh Oaxaca cheeses,
Eligible for USMCA under GN.11:

0%

0406.10.8400: 0%

Certain fresh Oaxaca Cheeses,
Not Eligible for USMCA under GN.11:

35%

TARIFF STACKING

IEEPA, Southern Border: 25%

0406.10.8400: 10% MFN duty rate

STACKING BOND EXPOSURE:

BOND 1 = \$50,000

BOND 2 - \$200,000

BOND 3 = \$400,000

**TOTAL BOND LIABILITY =
\$650,000 UNTIL ALL ENTRIES
ARE LIQUIDATED**

**SURETY COMPANIES
WILL EVALUATE TOTAL BOND
LIABILITY WHEN UNDERWRITING
NEW BONDS**

**FINANCIAL STATEMENTS OR
COLLATERAL MAY BE REQUIRED,
DEPENDING ON BOND
AMOUNTS REQUESTED**

Customs Bonds

Customs bonds need to be for a minimum of 10% of the annual duty/tax spend

The minimum Customs bond is \$50,000, which covers \$500,000 of duty/tax

If you now have \$1,000,000 of annual duty/tax, your bond needs to be for a minimum of \$100,000.

Bonds go in \$10,000 increments up to \$100,000, and then in \$100,000 increments.

Ensure you plan for future duty/tax spending when considering new bond amounts.

CBP will issue insufficiency notices for bonds when they are saturated and require quick replacement.

Increase bonds as needed, but be careful when stacking bond exposure.

Duty/Tax Monitoring

Monitor duty/tax using Entry Summaries (CF7501) from your Customs Brokers.

Obtain access to the ACE Portal for consolidated data if you use multiple brokers.

Ensure you are set up to receive Customs statements from your Customs Brokers.

Ensure accounts are funded for ACH withdrawals.

Leverage the Periodic Monthly Statement program to pay duty/tax on an interest-free monthly process, which can be paid as late as the 15th working day of the following month. The ACE Portal allows Importers to view statements throughout the month as they are being built.

Duty Drawback



ELIGIBLE:

Section 301 Tariffs
IEEPA Reciprocal
Tariffs

INELIGIBLE:

IEEPA Fentanyl Tariffs
Section 232 Tariffs
AD/CVD

Originally enacted in 1789 as part of the Original Tariff Act, duty drawback is the refund of 99% of the duties, taxes, fees and tariffs paid to Customs and Border Protection on merchandise imported into the United States **that is subsequently exported or destroyed.**

The **U.S. exporter** is initial eligible party to receive drawback but can waive/endorse it **to other parties.**

Duty Drawback is a complex Customs program that is an investment of both time and labor, but can reap some incredibly powerful rewards.

With Drawback privileges and complete documentation/data, claims can be made for imports from the past 5 years.

Foreign Trade Zones

ELIGIBILITY OF FTZ ACTION

Merchandise subject to the IEEPA and Section 232 tariffs must be admitted to Foreign Trade Zones (FTZs) under "privileged foreign status", unless admitted in domestic/duty paid status.

Privileged Foreign Status means that the rate of duty and applicable tariffs are set at the time of admission to the zone, not the time of entry for consumption into U.S. Commerce.

Not eligible for tariff inversion in zone manufacturing.

Privileged Foreign status cannot be changed once elected, unless exported.

If exported in bond, no duty/tariff will apply.



EXISTING FOREIGN TRADE ZONE INVENTORY

If you currently have FTZ merchandise that is subject to potential reciprocal tariff increases and is in non-privileged status, carefully review whether to complete a zone status change to "lock" in the current rate of duty/tariff.

Bonded Warehousing

SHORT-TERM RELIEF

A bonded warehouse is a secure storage facility where shippers can store their imported merchandise and defer the entry into U.S. Commerce.

Could potentially be used to temporarily store merchandise if you are either looking to defer the payments, or if you are wanting to “wait and see” if the tariffs will be lifted or reduced.

Merchandise can also be exported from a bonded warehouse without duty/tariff payment.



De Minimis Updates



Duty-free de minimis treatment is still available for articles from trading partners listed and not listed under Annex I, **except China and Hong Kong – effective May 2nd**.

All relevant postal items containing products of China/Hong Kong sent through the **international postal network** valued at or under \$800 are subject to a duty rate of either 90% of the value or \$75 per item. This is instead of any other duties imposed by prior Orders.

CBP may require a formal entry for any postal package instead of the specified duties.

Products of China/Hong Kong sent through means **other than the international postal network** that are valued at or under \$800 and would otherwise qualify for the de minimis exemption, will be subject to all applicable duties (e.g., Section 301 tariffs, reciprocal tariffs, etc.), which must be paid under applicable entry and payment procedures.

All entries must be made by an entity qualified to file a formal or informal entry in the Automated Commercial Environment (ACE)

Thank you for attending

A copy of this presentation will be
emailed to all attendees.

Questions submitted in the Q&A module
will receive direct responses.

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