

Tariff Un-Stacking, How to Look Up Tariffs, Bonded Warehouses & Foreign Trade Zones

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TRADE COMMITTEES

NAFTZ Trade & Tariff Rapid
Response Team (TRRT)

World Trade Center Denver
Trade Policy Committee

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In this Webinar

CURRENT TARIFF LANDSCAPE

GLOBAL NEGOTIATIONS

US/UK TRADE FRAMEWORK

TARIFF UNSTACKING

HOW TO LOOK UP TARIFFS & RESOURCES

BONDED WAREHOUSES & FTZ



CURRENT TARIFF LANDSCAPE



Country (products of)	Products Covered	Tariff / Fee	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 & Derivatives	25% (50% for Turkey)	3/12/2025	Section 232
Global	Certain Autos	25% (For USMCA – 25% on non-US content)	4/3/2025	Section 232
All Except China, Canada, and Mexico	All, with some exceptions	10% Baseline Reciprocal	4/5/2025	IEEPA Reciprocal
China	All, with some exceptions	25% 10%	4/10/2025 5/14/2025	IEEPA Reciprocal
Country-Specific	All, with some exceptions	Country-Specific Reciprocal Rate	4/9/2025 Suspended-TBD	IEEPA Reciprocal
Global	Certain Auto Parts	25% (0% for USMCA qualifying)	5/3/2025	Section 232
Global	China-built ships	\$50/net ton to start	Tentative 10/14/2025	Section 301
Global	China-built ships owned by non-Chinese firms	\$18/net ton to start	Tentative 10/14/2025	Section 301
Global	Copper, Pharmaceuticals Agriculture, Semiconductors, Lumber, Timber & Derivatives, Commercial Aircraft, Engines, Parts, Critical Minerals, Heavy-duty trucks and parts	TBD	TBD	Section 232
Countries Importing Venezuelan Oil	All	25%	TBD	IEEPA

Tariff Implementation SEQUENCE OF EVENTS



Order	Publication	Action	Links
1	Executive Order	These orders will cover past orders (if applicable), their vested authority, rationale for the executive order, what it covers, what is exempted, modification authority, implementation authority, reporting requirements, and general provisions.	https://www.whitehouse.gov/presidential-actions/
2	Federal Register	Executive Order is codified in the Federal Register	https://www.federalregister.gov/
3	CSMS / HTSUS	CBP updates ACE and the HTSUS Publishes instructions to the trade community on the Federal Register publication via a CSMS message.	https://www.cbp.gov/trade/automated/cargo-systems-messaging-service https://hts.usitc.gov/
Supplemental	CBP FAQ	CBP periodically updates its FAQs	https://www.cbp.gov/trade/programs-administration/trade-remedies/IEEPA-FAQ https://www.cbp.gov/trade/programs-administration/entry-summary/232-tariffs-aluminum-and-steel-faqs https://www.cbp.gov/trade/programs-administration/entry-summary/section-232-additional-faqs-autos

Reciprocal Tariff Policy



EXECUTIVE ORDERS & UPDATES

Order	Publication	Action	Links
Reciprocal Tariffs	Executive Order 14257 (Original) <i>90FR 15041</i>	Annex I of 14257 provides the paused country-specific rates	https://www.federalregister.gov/documents/2025/04/07/2025-06063/regulating-imports-with-a-reciprocal-tariff-to-rectify-trade-practices-that-contribute-to-large-and
	14259 (De minimis/China increase) <i>90FR 15509</i>	Annex II contains HTS and products that are exempt from reciprocal tariffs Subdivisions b, e & f explain exemptions to reciprocal tariffs (Section 232, column 2 countries, etc.)	https://www.federalregister.gov/documents/2025/04/14/2025-06378/amendment-to-reciprocal-tariffs-and-updated-duties-as-applied-to-low-value-imports-from-the-peoples
	14266 (Pause/China increase) <i>90FR 15625</i>	14259 provides updated China rates and de minimis rate increases	https://www.federalregister.gov/documents/2025/04/15/2025-06462/modifying-reciprocal-tariff-rates-to-reflect-trading-partner-retaliation-and-alignment
	Clarification of Executive Order 14257 (Exceptions)	14266 provides updated China rates (current) and the suspension of country-specific rates	https://www.whitehouse.gov/presidential-actions/2025/04/clarification-of-exceptions-under-executive-order-14257-of-april-2-2025-as-amended/
	Joint Statement on U.S. – China Economic and Trade Meeting in Geneva	Clarification of Executive Order 14257 provides HTS for additional exemptions (electronics)	https://www.whitehouse.gov/briefings-statements/2025/05/joint-statement-on-u-s-china-economic-and-trade-meeting-in-geneva/
	Executive Order - Modifying Reciprocal Tariff Rates To Reflect Discussions With The People's Republic Of China	The Joint Statement and Executive Order indicate that reciprocal tariff rates will be lowered to 10% for China (effective May 14)	https://www.whitehouse.gov/presidential-actions/2025/05/modifying-reciprocal-tariff-rates-to-reflect-discussions-with-the-peoples-republic-of-china/#:~:text=In%20Executive%20Order%2014257%20of,annual%20U.S.%20goods%20trade%20deficits

US & UK Trade Framework

On May 8, 2025, President Donald Trump and UK Prime Minister Keir Starmer announced a new [U.S.-UK trade framework](#), marking a significant shift in transatlantic trade policy. The leaders outlined mutual commitments to improve market access, reduce trade barriers, and protect strategic industries.

U.S.-UK TRADE COMMITMENT ADDRESSES VEHICLES, STEEL, AND ALUMINUM

Under the U.S.-UK trade framework, the U.S. will maintain a 10% [reciprocal tariff](#) on UK vehicle imports for the first 100,000 units annually. Volumes above that threshold will remain subject to a [25% tariff](#) under Section 232.

Negotiations are also underway for an alternative approach to the current Section 232 tariffs on [steel and aluminum](#).

OTHER COUNTRIES

The administration continues to consider and negotiate the terms of potential trade deals to be reached within the 90-day pause.

Announcements to be made once known.

Tariff Implementation & Resources

SECTION 232

Order	Publication	Action	Links
Section 232 Steel & Aluminum	Recent Executive Orders 10895 & 10896	Subject HTS and products are listed in Annex I of the Federal Register Notice or Note 16 and 19 to subchapter III of Chapter 99 of the HTSUS	https://www.federalregister.gov/documents/2025/03/05/2025-03598/implementation-of-duties-on-steel-pursuant-to-proclamation-10896-adjusting-imports-of-steel-into-the https://www.federalregister.gov/documents/2025/03/05/2025-03596/implementation-of-duties-on-aluminum-pursuant-to-proclamation-10895-adjusting-imports-of-aluminum https://www.whitehouse.gov/presidential-actions/2025/04/addressing-certain-tariffs-on-imported-articles/ Section-232-Steel-and-Aluminum-Fact-Sheet-2025-powered-by-Green-Worldwide-Shipping-Final.pdf Relevant CSMS
Section 232 Auto & Parts	Executive Orders 10908 & 10925	Subject HTS and products are listed in Annex I of Federal Register Notice 10908 or Note 33 to subchapter III of Chapter 99 of the HTSUS. Federal Register Notice 10925 updated notice 10908	https://www.federalregister.gov/documents/2025/04/03/2025-05930/adjusting-imports-of-automobiles-and-automobile-parts-into-the-united-states https://www.federalregister.gov/documents/2025/05/02/2025-07833/amendments-to-adjusting-imports-of-automobiles-and-automobile-parts-into-the-united-states https://www.whitehouse.gov/presidential-actions/2025/04/addressing-certain-tariffs-on-imported-articles/ Relevant CSMS

What Changed Since the U.S.-China Announcement?

The temporary framework, reached in Geneva, outlines the following U.S. actions:

Suspends 24 percentage points of the additional tariffs imposed under [Executive Order 14257](#) (34%).

Retains a 10% ad valorem baseline.

Removes added duties introduced under [Executive Orders 14259](#) (84%) and [14266](#) (125%)

Reduces low-value import tariffs from 120% to 54%, maintaining the existing \$100 postal item cap

Modifies HTSUS tariff headings to reflect these changes, including a 90-day suspension of several subheadings and notes

China will take similar reciprocal action, though for U.S. importers, the immediate benefit is reduced duty exposure on incoming shipments from Chinese suppliers.



DE MINIMIS: EXECUTIVE ORDER REDUCES DUTIES ON LOW-VALUE POSTAL IMPORTS

The Executive Order also amends prior tariff actions targeting [de minimis imports](#) tied to synthetic opioid supply chain enforcement. Specifically, it reduces the applicable duty from 120% to 54% on qualifying low-value postal shipments from China and retains the \$100 per-item duty cap, cancelling the [previously scheduled increase](#) to \$200 on June 1, 2025.

Tariff Hierarchy of Classification Application

TOTAL FINAL
DUTY RATE



IEEPA RECIPROCAL

SECTION 201

SECTION 232

SECTION 301

IEEPA FENTANYL

ANTI-DUMPING/COUNTERVAILING DUTIES

QUOTAS

CH 98 PROVISION APPLICABILITY

DATE OF ENTRY (GENERAL, FTZ STATUS, ETC)

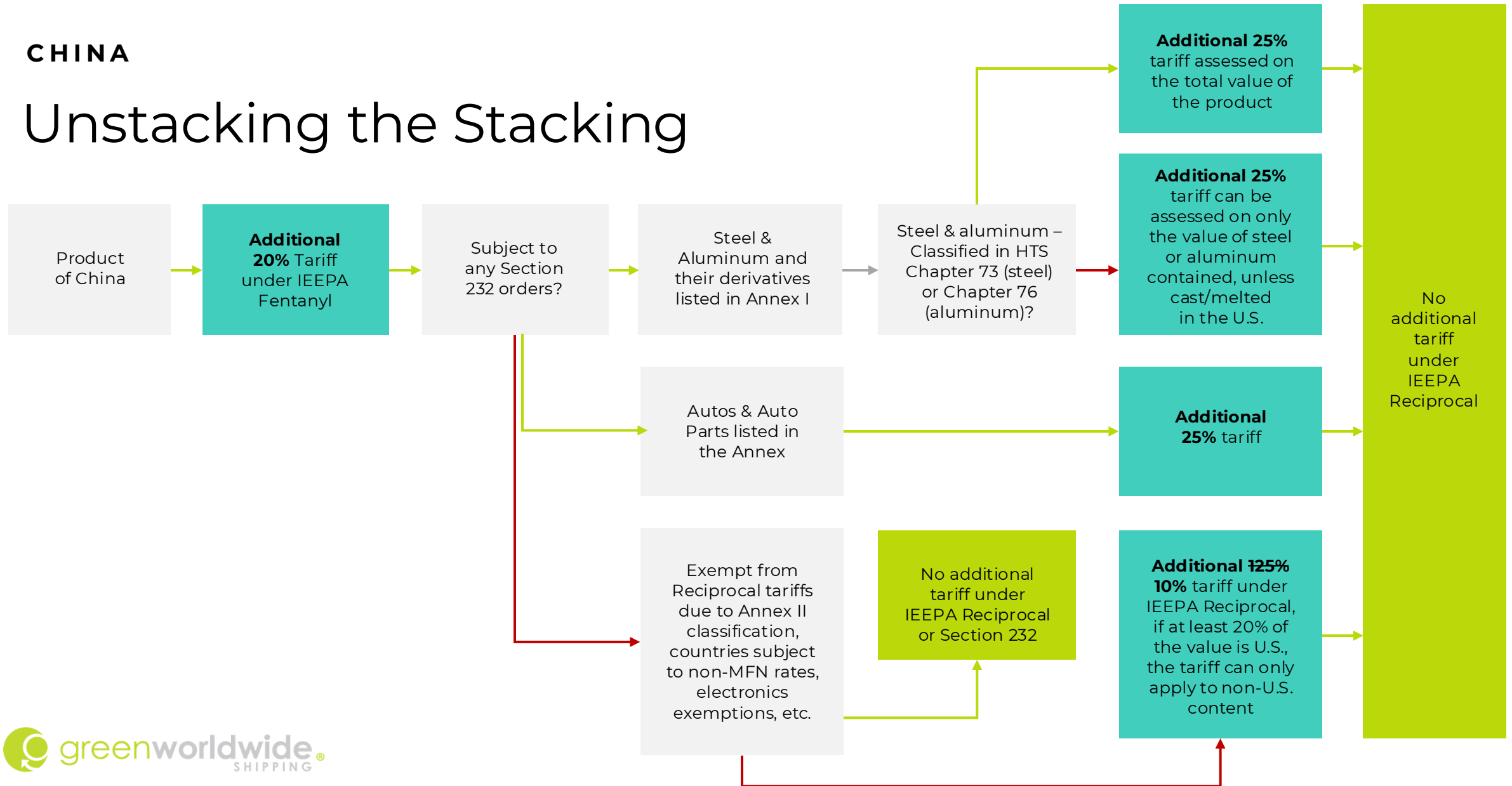
FREE TRADE AGREEMENT QUALIFICATION

MFN GENERAL RATE

COUNTRY OF ORIGIN + PRODUCT CLASSIFICATION (HTS) + VALUE

CHINA

Unstacking the Stacking



Tariff Stacking Scenarios

CHINA



Description	Section 301	Section 232	IEEPA Fentanyl	Reciprocal	Total Additional Tariffs	Comments
A product without Section 301/232	0%	0%	20%	10%*	30%	+MFN rate, or any other measures
A product with Section 301 (7.5%) but no Section 232	7.5%	0%	20%	10%*	37.5%	+MFN rate, or any other measures
A product without Section 301, with Section 232	0%	25%	20%	0%	45%	+MFN rate, or any other measures
A product with Section 301 (7.5%) and Section 232	7.5%	25%	20%	0%	52.5%	+MFN rate, or any other measures
A product with Section 301 (25%) but no Section 232	25%	0%	20%	10%*	55%	+MFN rate, or any other measures
A product with Section 301 (25%) and Section 232	25%	25%	20%	0%	70%	+MFN rate, or any other measures

* Unless exempt Static Conditional

Tariff Implementation & Resources

CHINA

Order	Publication	Action	Links
Section 301 China	HTSUS	Subject HTS will have a footnote with a CH99 Section 301 HTS	https://hts.usitc.gov/
IEEPA Fentanyl	Federal Register	Goods of Chinese Origin subject to an additional 20% ad valorem tariff. HTSUS: 9903.01.24	<u>Federal Register :: Imposing Duties To Address the Synthetic Opioid Supply Chain in the People's Republic of China</u> Relevant CSMS

SECTION 301

How do I look all of this up?

Review HTS classification for footnote classification

6404.19.39	90	Other.....	prs.	
		Other.....		37.5% ^{5/}
	15	House slippers.....	prs.	
	40	Other:		
	60	For men.....	prs.	
	80	For women.....	prs.	
		Other.....	prs.	

Footnote classification provides associated CH 99 classification

HTS 9903.27.09 is expired (yellow highlight)

9903.27.09	^{1/}	Other footwear with outer soles of rubber or plastics and uppers of textile materials, with open toes or open heels, or of the slip-on type (provided for in subheading 6404.19.35).....	^{1/}	100%
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HTS 9903.88.15 is 7.5%

9903.88.15	^{1/}	Except as provided in headings 9903.88.39, 9903.88.42, 9903.88.44, 9903.88.47, 9903.88.49, 9903.88.51, 9903.88.53, 9903.88.55, 9903.88.57, 9903.88.65, 9903.88.66, 9903.88.67, 9903.88.68, or 9903.88.69, articles the product of China, as provided for in U.S. note 20(r) to this subchapter and as provided for in the subheadings enumerated in U.S. note 20(s).....	^{1/}	The duty provided in the applicable subheading + 7.5%
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Harmonized Tariff Schedule of the United States Revision 7 (2025)

Annotated for Statistical Reporting Purposes

XII

Endnotes--page 64 - 44

^{1/} See 9903.88.15.

^{2/} See 9903.90.08.

^{3/} See 9903.41.10 and 9903.88.15.

^{4/} See 9903.41.10.

^{5/} See 9903.27.09 and 9903.88.15.

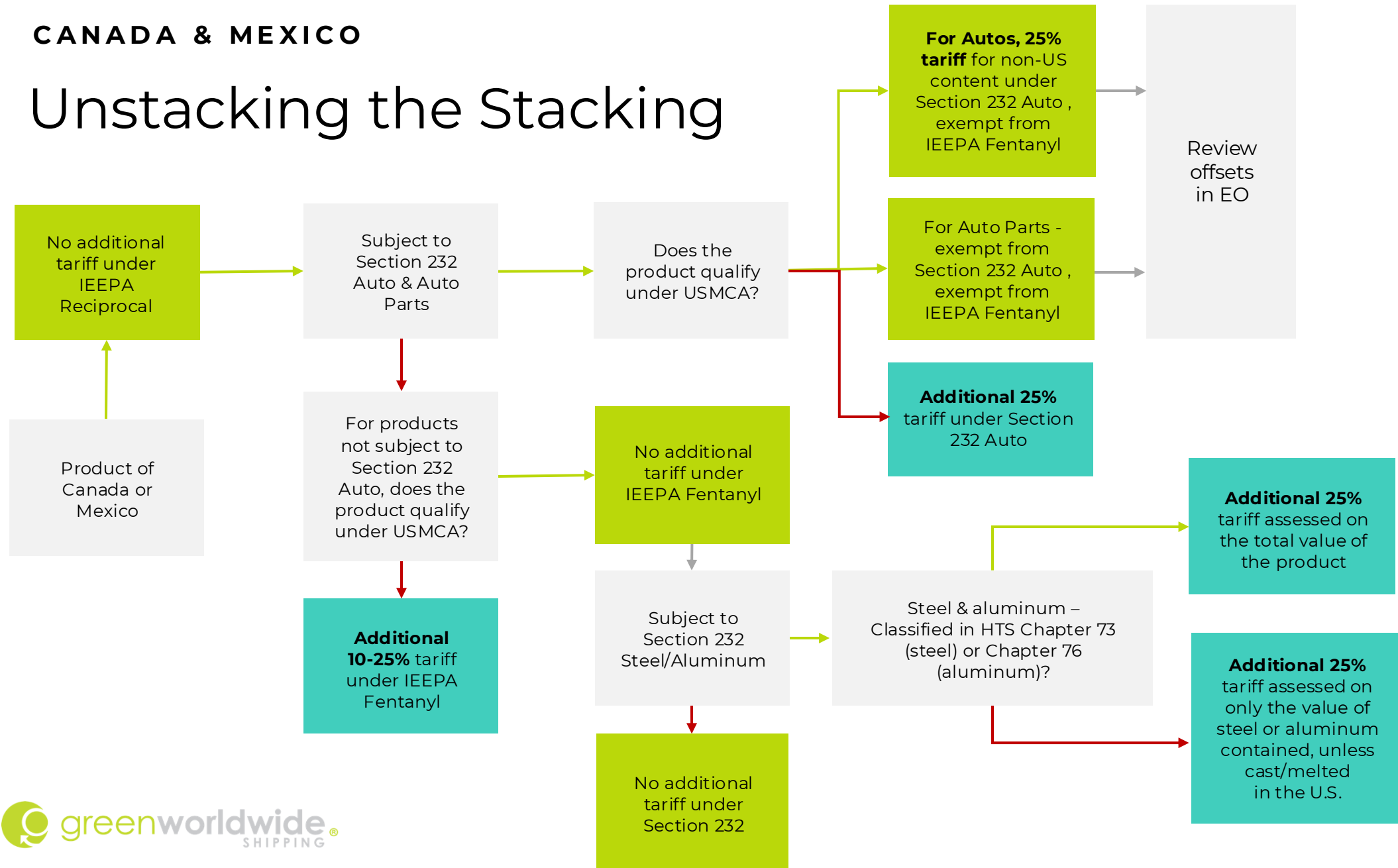
Tariff Implementation & Resources

IEEPA CA/MX

Order	Publication	Action	Links
IEEPA Fentanyl - Canada	Federal Register	Implementation of tariffs citing the national emergency at the border regarding Fentanyl	<u>Federal Register :: Notice of Implementation of Additional Duties on Products of Canada Pursuant to the President's Executive Order 14193, Imposing Duties To Address the Flow of Illicit Drugs Across Our Northern Border</u> https://www.whitehouse.gov/presidential-actions/2025/04/addressing-certain-tariffs-on-imported-articles/ Relevant CSMS
IEEPA Fentanyl - Mexico	Federal Register	Implementation of tariffs citing the national emergency at the border regarding Fentanyl	<u>Federal Register :: Notice of Implementation of Additional Duties on Products of Mexico Pursuant to the President's Executive Order 14194, Imposing Duties To Address the Situation at Our Southern Border</u> https://www.whitehouse.gov/presidential-actions/2025/04/addressing-certain-tariffs-on-imported-articles/ Relevant CSMS
USMCA	19 CFR HTSUS	Special Rate of Duty	19 CFR: <u>eCFR :: 19 CFR Part 182 -- United States-Mexico-Canada Agreement</u> HTSUS, General Note 11: <u>Harmonized Tariff Schedule</u>

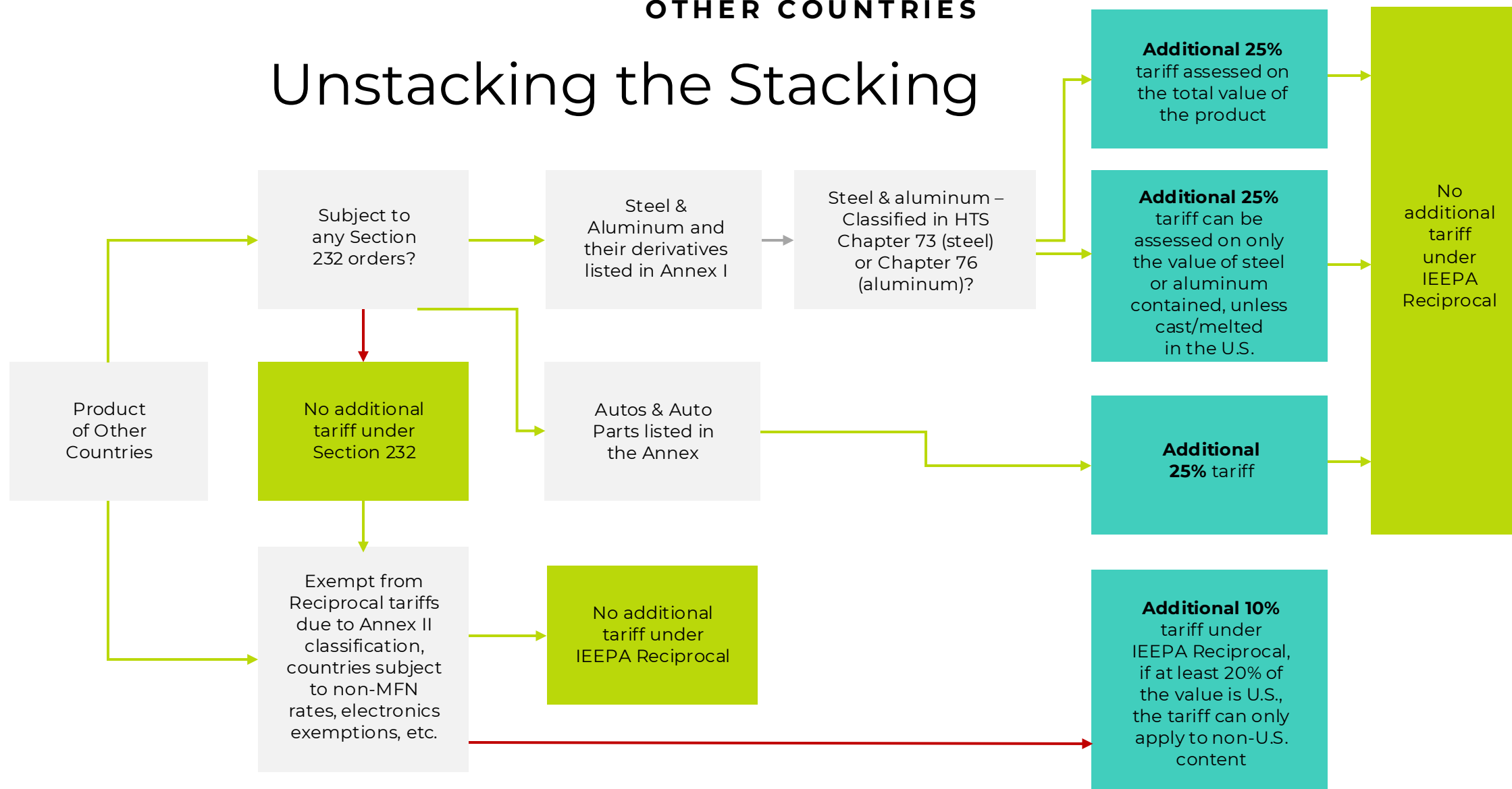
CANADA & MEXICO

Unstacking the Stacking



OTHER COUNTRIES

Unstacking the Stacking



Examples

100% Steel Springs for bed mattresses: 7320.90.5010

Made in China

25% Section 301,
20% IEEPA,
25% Steel 232,
2.9% MFN General Rate,
0% Reciprocal
=72.9%

Made in Vietnam

25% Steel 232,
2.9% MFN General Rate,
0% Reciprocal
=27.9%

Made in Mexico, non-USMCA

25% IEEPA Fentanyl,
2.9% MFN General Rate,
0% Reciprocal
=27.9%

Made in Mexico, USMCA: 0%

Examples

Cotton bed pillow, foam filled: 9404.90.1030

Made in China

7.5% Section 301,
20% IEEPA,
5.3% MFN General Rate,
10% Reciprocal
=42.8%

Made in Vietnam

5.3% MFN General Rate,
10% Reciprocal
=15.3%

Made in Mexico, non-USMCA

25% IEEPA Fentanyl,
5.3% MFN General Rate,
0% Reciprocal
=30.3%

Made in Mexico, USMCA: 0%

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.

Duty Drawback



ELIGIBLE:

Section 301 Tariffs
IEEPA Reciprocal
Tariffs

INELIGIBLE:

IEEPA Fentanyl Tariffs
Section 232 Tariffs
AD/CVD

	FOREIGN TRADE ZONE	BONDED WAREHOUSE
Storage Period	Indefinite	Up to 5 years
Set up	To utilize a 3PL FTZ, the importer must be set up as a zone user Better for larger operations due to the setup involved Higher compliance requirements for inventory tracking	A customs broker would file a warehouse entry and withdrawal (with bonded facility coordination) Easier set-up process that can be completed quickly
Activity Permitted	More liberal activities are allowable. Sorting, Destruction, Labeling, Assembly, Manufacture, etc.	Limited activities allowed. Cleaning, re-packaging, labeling, sorting (with CBP approval)
Exits	Entry into U.S. commerce (can be weekly if approved) Bonded export filing for exports	Entry into U.S. commerce for each removal via warehouse withdrawal entry Bonded export filing for exports
Duty Payment	Upon entry into U.S. commerce	Upon entry into U.S. commerce
Duty/Tariffs	Duty / Tariff rates are set at admission for Privileged Foreign status. Merchandise admitted to an FTZ subject to trade remedies must be admitted in Privileged Foreign Status.	Duty / Tariff rates are set at the time of entry into U.S. commerce
Merchandise Allowed	Foreign and domestic merchandise are allowed. Merchandise previously entered into a bonded warehouse may not be admitted to an FTZ in PF or NPF status.	Only foreign merchandise is allowed.
De Minimis	No de minimis entries out of FTZs	



Locking rates at the time of admission



—

Setting rates at the time of entry

—



Duty/tariff Deferral



Manufacturing



—

Storage of merchandise for re-export



Requires bonded transport



Lower volume business and SKU count

—



High-volume, integrated business



—

FOREIGN TRADE ZONE

BONDED WAREHOUSE

MAKING THE RIGHT CHOICE

Both programs can be beneficial depending on the objectives and should be carefully evaluated.

If you are looking to defer Customs duty or tariffs, and expect that tariffs may increase, evaluating the Foreign Trade Zone program may make sense.

If you are looking to defer Customs duty or tariffs and expect tariffs to decrease evaluating the Bonded Warehouse solution may make sense.

There are also other trade programs that may be beneficial to explore, such as Temporary Import Bonds, Duty Drawback, etc.



Trade Statistics



Trade Enforcement Activities	FY 2022	FY 2023	FY 2024	FY 2025 (Q1)
Number of Audits Completed	430	435	417	200
Total Collected as a result of Importer Audits	\$77.7 million	\$114.5 million	\$117.67 million	\$134.16 million
Net Revenue Recovered due to Entry Summary Reviews (ESF)	\$267.3 million	\$256.3 million	\$667.55 million	\$20.31 billion

Import Revenue Collection	FY 2022	FY 2023	FY 2024	FY 2025 (Q1) ¹
Total Import Value for Goods	\$3.35 trillion	\$3.32 trillion	\$3.36 trillion	\$1.89 trillion
Total Entry Summaries	\$39.1 million	\$36.6 million	\$38.3 million	\$21.43 million
Total Section 321 BOL's and Mail (de minimis)	\$685.1 million	\$868.4 million	\$1.03 billion	\$664.26 million
Total Duty, Taxes, and Fees Collected*	\$111.8 billion	\$92.3 billion	\$88.07 billion	\$57.05 billion

¹ FY 2025 is updated as of March 31, 2025.

* Amount includes Estimated and final duties, taxes, and fees paid by the trade community, including adjustments for refunds.

Trade Statistics



Trade Remedy Enforcement	Imported Products	FY 2022	FY 2023	FY 2024	FY 2025 (Q1) *
Section 201	Solar Products	\$290.50 million	\$236.38 million	\$208.42 million	\$226.82 million
Section 232	Steel	\$2.61 billion	\$1.57 billion	\$1.22 billion	\$1.08 billion
	Aluminum	\$722.86 million	\$459.62 million	\$400.24 million	\$635.48 million
Section 301 China	China Products	\$49.44 billion	\$38.36 billion	\$38.15 billion	\$22.09 billion
IEEPA - China & Hong Kong	All	-	-	-	\$7.89 billion
IEEPA - Mexico	All	-	-	-	\$2.87 billion
IEEPA - Canada	All	-	-	-	\$1.04 billion
IEEPA – Reciprocal 10%	All	-	-	-	\$1.23 billion
Section 232 - Automobiles	Auto	-	-	-	\$1.15 billion
Total		\$52.06 billion	\$40.62 billion	\$39.97 billion	\$38.04 billion

*FY 2025 is updated as of March 31, 2025

WHAT IS THE IMPACT TO BUSINESSES?

Canceled bookings	→	Capacity pressure
Increased blank sailings	→	Reduced blank sailings
Purchase orders paused/canceled	→	Purchase Order frontloading
Re-sourcing manufacturing	→	Existing manufacturing relationships
CH98: Temporary Importation Under Bond	→	Standard Customs Clearances
Passing increases to the consumer	→	Pausing increases to the consumer?
Negative Stock Market Impact	→	Positive Stock Market Impact
Customs Valuation Review	→	Customs Valuation Review
Bonded & FTZ Warehousing	→	Bonded Warehousing
HTS Compliance Reviews	→	HTS Compliance Reviews
Tariff Engineering	→	Tariff Optimization
Additional resources for managing tariff master database	→	Additional resources for managing tariff master database

Does the President's extension of reciprocal tariffs by 90 days to July 9th refer to arrive US port or departure from country of origin?

How to correctly look up current HTS codes and if the tariffs apply to them?

How to keep track of tariff movements (be on front foot not back foot)?

Can you confirm that when we release containers from the bonded warehousing we will only pay the Tariff rate at that exact date?

Tariff inversion still valid for FTZ?

We send parts to US for repair. Would TIB avoid the charges for steel, aluminum and iron on Section 232?

If tariff rates decline, is there a course of action to obtain reimbursement for duties already paid? What if shipped but not yet received?

If tariffs with China lower, would we be able to enter items in the FTZ with the new lower rate?

How to make sure we are in compliance

How closely are CBP watching for HTS code changes?

Questions from the Audience

Can I ship product from China to the USA and put it in a bonded warehouse to wait for tariffs to come down?



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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