

**TARIFFS 2025**

**Trump Administration**

 **MOHAWK**  
GLOBAL

Mar 10, 2025

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**IEEPA**

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# Tariffs – IEEPA China & Hong Kong

All tariffs will be in addition to any other applicable duties, fees, and charges, including AD/CVD

## CHINA & HONG KONG

- 20% - Increase for all products of China and Hong Kong, **effective 03/04/2025**
- IEEPA and other trade remedies
  - IEEPA is in addition to any current imposed China 301 tariffs
  - 301 exclusion process does not apply to this IEEPA tariff
  - Formal entry required, goods under \$250 can currently still be submitted via informal entry

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# Tariffs – IEEPA Canada & Mexico

All tariffs will be in addition to any other applicable duties, fees, and charges, including AD/CVD

## • CANADA – effective 03/04/2025

- 25% - All products of Canada *except*
- 10% - Energy or energy resources (advisory HTS for energy to be compiled)
  - means crude oil, natural gas, lease condensates, natural gas liquids, refined petroleum products, uranium, coal, biofuels, geothermal heat, the kinetic movement of flowing water, and critical minerals, as defined by 30 U.S.C. 1606 (a)(3).
- **New** 10% - Potash for non-qualifying USMCA **effective 3/7/2025** (HTS for potash CSMS 64336037)
- **New** Exempt **effective 3/7/2025** – Goods that qualify for USMCA free trade agreement (SPI – S & S+) Mohawk must have a valid and complete USMCA agreement on file

## • MEXICO - effective 03/04/2025

- 25%- All products of Mexico
- **New** 10% - Potash for non-qualifying USMCA **effective 3/7/2025** (HTS for potash CSMS 64335789)
- **New** Exempt **effective 3/7/2025** – Goods that qualify for USMCA free trade agreement (SPI – S & S+) Mohawk must have a valid and complete USMCA agreement on file

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## CH 98 – Special Classification Provisions

- The additional duties imposed **will not apply** to goods for which entry is properly claimed under a provision of chapter 98 of the tariff schedule
  - Pursuant to applicable regulations of CBP, and whenever CBP agrees that entry under such a provision is appropriate
  - Ensure receipt of manufactures affidavit, foreign shipper's declaration, etc. to support 9801 claim
- **Except for -**
  - Repairs, alterations, assemble
    - 9802.00.40, 9802.00.50, 9802.00.60 The additional duties apply to the value of repairs, alterations or processing performed
    - 9802.00.80 The additional duties apply to the value of the article assembled aboard

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## Exemptions - IEEPA

- **New** CA and MX Free Trade USMCA qualifying goods are exempt March 7, 2025
  - USMCA complete and valid certificate must be on file
  - Tariffs applied to all goods March 4 – March 6, 2025
- **321 ON HOLD\*** - There will be no section 321/de minimis (less than \$800) shipments allowed for products of Canada, China, Hong Kong, and Mexico
  - International mail excluded from China and Hong Kong – formal entry required regardless of value
  - \*until such time as Commerce establishes a system to collect the tariffs
- No duty drawback allowed for the additional duties paid
- FTZ – goods must be admitted as “privileged foreign status”
- There is no mention of an exclusion process

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# Sec 232 Steel

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## Tariffs – Sec 232 Steel

Presidential Proclamation 10896 (Feb. 10. 2025) action -

- Rescinded all previous issued proclamations / alternative agreements allowing exemptions/exclusions through quota or tariff suspensions.

Tariff effective dates –

- **March 12, 2025** – 25% Steel tariffs on all countries
- **March 12, 2025** – 25% steel tariffs on additional steel derivatives - USHTS CH 76, 84, 85, 94
  - Exception – \*those processed in another country from steel articles melted and poured in the U.S

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## Eliminated Exemptions – Sec 232 Steel

- **No exclusion process.**
  - Effective Feb. 11, the Secretary is no longer authorized to provide relief from the 232 duties for any steel article determined not to be produced in the US\*
  - Granted product exclusions shall remain effective until their expiration date or until excluded product volume is imported, whichever occurs first.
  - All general approved exclusions shall be ineffective as of March 12, 2025.
- No duty drawback allowed for the additional duties paid
- FTZ – good admitted March 12\* and after must be "privileged foreign status"

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## Enforcement – Sec 232 Steel

- Implement regulations or guidance requiring importers to **provide CBP** with any **information** necessary to **identify the steel content** used in the manufacture of imported steel or aluminum derivative articles covered by these proclamations
- CBP must prioritize **reviews of the classification** of covered imports and, if **misclassification** resulting in non-payment of the Section 232 tariffs is discovered, **assess monetary penalties** in the maximum amount permitted by law (the steel proclamation directs CBP to **not consider** any evidence of **mitigating factors**, which appears to contradict existing CBP regulations)
- CBP must promptly **notify** the Department of Homeland Security of **evidence of any efforts to evade the tariffs** through processing or alteration prior to importation (DHS may **then consider such articles for inclusion** as derivative steel articles subject to the tariffs)

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# Sec 232 Aluminum

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## Tariffs – Sec 232 Aluminum

Presidential Proclamation 10895 (Feb. 10. 2025) action -

- Rescinded all previous issued proclamations / alternative agreements allowing exemptions/exclusions through quota or tariff suspensions.

Tariff effective dates –

- **March 12, 2025** – increase of 10% to 25% aluminum tariffs on all countries (excludes RU at 200%)
- **March 12, 2025** – 25% tariffs on addtl. aluminum derivatives - CH 66, 76, 83 ,84, 85, 87. 88, 90, 94, 95, 96
- **April 4, 2025** – 25% tariffs on beer and empty aluminum cans
  - Exception – \*those processed in another country from aluminum articles melted and poured in the U.S

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## Eliminated Exemptions – Sec 232 Aluminum

- **No exclusion process.**
  - Effective Feb. 11, the Secretary is no longer authorized to provide relief from the 232 duties for any aluminum article determined not to be produced in the US\*
  - Granted product exclusions shall remain effective until their expiration date or until excluded product volume is imported, whichever occurs first.
  - All general approved exclusions shall be ineffective as of March 12, 2025.
- No duty drawback allowed for the additional duties paid
- FTZ – good admitted March 12\* and after must be "privileged foreign status"

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## Enforcement – Sec 232 Aluminum

- Implement regulations or guidance requiring importers to **provide CBP** with any **information** necessary to **identify the aluminum content** used in the manufacture of imported steel or aluminum derivative articles covered by these proclamations
- CBP must prioritize **reviews of the classification** of covered imports and, if **misclassification** resulting in non-payment of the Section 232 tariffs is discovered, **assess monetary penalties** in the maximum amount permitted by law.
- CBP must promptly **notify** the Department of Homeland Security of **evidence of any efforts to evade the tariffs** through processing or alteration prior to importation (DHS may **then consider such articles for inclusion** as derivative steel articles subject to the tariffs)

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# Automobiles and Parts

## April-May 2025

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## Timing & Authorities

- Authorities
  - International Emergency Economic Powers Act (IEEPA) however referencing Section 301 of the Trade Act of 1974
- Effective dates
  - April 3, 2025 – for automobiles - *All Countries 25%*
  - May 3, 2025 – Auto parts – All countries 25%
  - *Note:*
  - *USMCA goods will be taxed on the non-US Content*
  - The additional duties imposed **will not apply** to goods for which entry is properly claimed under a provision of chapter 98 of the tariff schedule, except 9802.00.60
- No Duty drawback is allowed for the additional duties paid
- FTZ – goods must be admitted as “privileged foreign status”

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# Reciprocal April 2025

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## Timing & Authorities

- Authorities
  - International Emergency Economic Powers Act (IEEPA) however referencing section 301 of the Trade Act of 1974
- Effective dates
  - April 5, 2025 - *All Countries* 10%
  - April 9, 2025 - 57 countries increase
    - *Non-Specified Countries* – remain at 10%
      - All tariffs will be in addition to any other applicable duties, fees, and charges, including AD/CVD – some exceptions apply
    - *Specified Countries 57* – *duty increases by specific country (57)*
      - All tariffs will be in addition to any other applicable duties, fees, and charges, including AD/CVD – some exceptions apply
- **Duty drawback is allowed** for the additional duties paid
- FTZ – goods must be admitted as “privileged foreign status”

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# Country Application & Timing

- **ALL COUNTRIES**
  - 10% duty for all countries
  - Effective at 12:01 a.m. eastern daylight time on **April 5, 2025**
    - except that goods loaded onto a vessel at the port of loading and in transit on the final mode of transit before 12:01 a.m. eastern daylight time on April 5, 2025,
- **SPECIFIED COUNTRY (57)**
  - Various duty rates for the 57 countries listed in Annex I to the executive order
    - [Annex-I.pdf](#)
  - Effective at 12:01 a.m. eastern daylight time on **April 9, 2025**
    - except that goods loaded onto a vessel at the port of loading and in transit on the final mode of transit before 12:01 a.m. eastern daylight time on April 9, 2025

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# Exceptions to Reciprocal

- Exceptions to reciprocal duties
  - Goods listed in [Annex-II.pdf](#) including copper, pharmaceuticals, semiconductors, lumber articles, certain critical minerals, and energy and energy products
  - 50 U.S.C. 1702(b) Humanitarian relief, informational materials
  - Sec 232 - all articles and derivatives of steel and aluminum
  - Auto and Automobile parts of Trump proclamation 10908
  - All articles that may become subject to duties pursuant to future actions under section 232
  - Canada (current CA IEEPA applies – exempt reciprocal)
  - Mexico (current MX IEEPA applies – exempt reciprocal)
  - Duty-free de minimis treatment qualifying under Sec 321 – except CN/HK

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# Duty Application

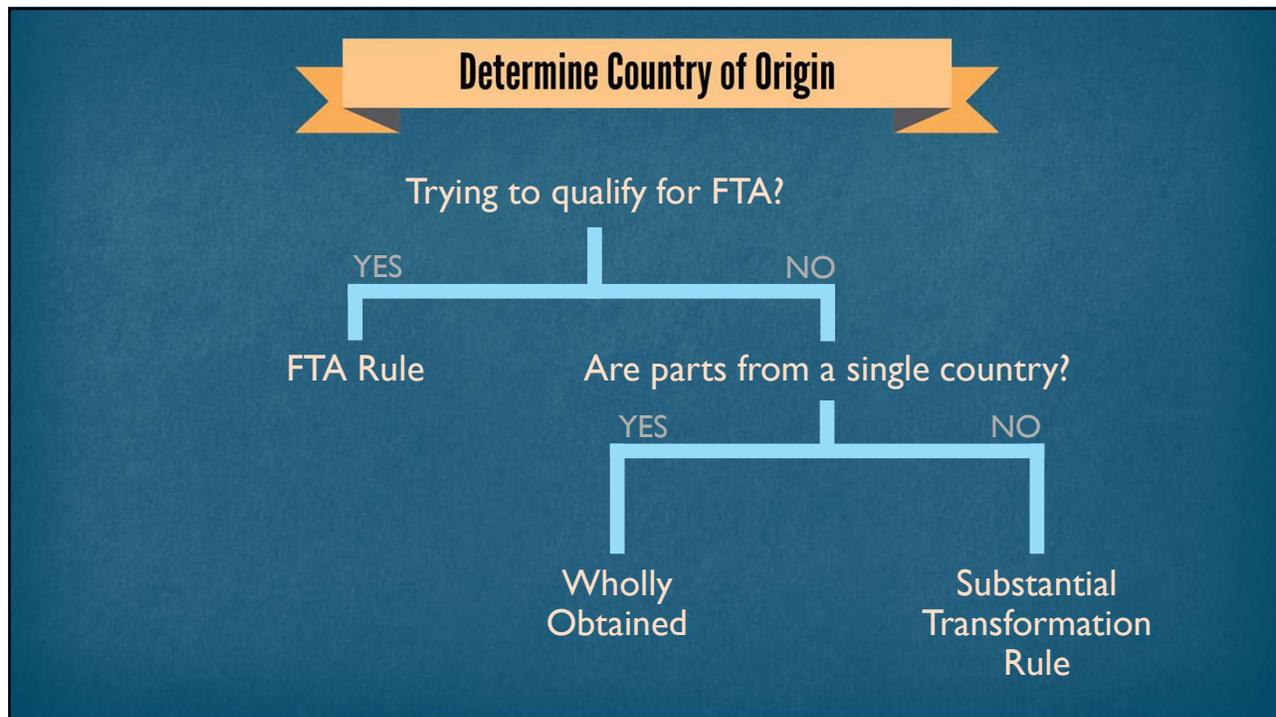
- Non-U.S. Content duty application - 20% rule
  - Duty set forth in this order shall apply only to the non-U.S. content of a subject article, provided at least 20 percent of the value of the subject article is U.S. originating.
  - “U.S. content” refers to the value of an article attributable to the components produced entirely, or substantially transformed in, the United States.
  - If not documented or unsupported – duty application defaults to full value.

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# Best Practices

- Review your classifications for accuracy
- Determine the country of origin of your goods
- Make sure your goods qualify for the USMCA?
- Will my goods be subject to IEEPA, 232 (Metal tariffs), Auto or Reciprocal tariffs?
- Determine your appropriate 9903 suffix numbers and make sure properly applied to your entries.

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## 4 Conditions to Claim CUSMA/USMCA

- Goods must qualify based on the rule of origin
- Goods must ship from a CUSMA country
- CUSMA declaration must be properly completed
- Importer must possess information at time of claim and retain the backup documentation to support claim.

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# Best Practices

- Customs documentation
  - Make sure you provide a complete & accurate description of the goods
  - Identify the steel and aluminum content by value and weight on your invoice subj. to the derivative list, obtain the mill test certificates, etc.
- If claiming goods in Chapter 98, you ensure you qualify and have the supporting documents.
- If selling under a DDP basis, make sure to deduct the actual freight, brokerage or duties included in your selling price before duties are calculated and paid to CBP.

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# Duty Drawback

- Duties paid upon import
- Paid back upon export/destruction
- 99% of duties recovered except Section 232, IEEPA and AD/CVD duties

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# Bond Sufficiency

- Importers should properly assess bond sufficiency – project next 12 months considering any new tariffs
- Immediately react to any CBP bond insufficient notice to ensure no bond coverage disruption
- Avoid bond stacking as much as possible
- Increased bond amount may require surety to collect additional collateral or letter of credit

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# THANK YOU

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