

SPECIAL MEMO TO CLIENTS

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Trump Issues Executive Order on Additional Duties for Canada, Mexico, and China

On Saturday, February 1, 2025, President Trump issued three executive orders establishing additional duties on products made in Canada, Mexico, and China. Canada will have all its products assessed 25% except on energy resources that will be detailed in a Federal Register Notice (FRN) that will be issued this week. Mexico will be assessed an additional duty of 25% on their products. China will be assessed an additional duty of 10%. The additional duties will be assessed on shipments entered or withdrawn after 12:01 AM, Tuesday February 4, 2025. There is an exemption for goods in transit by ocean freight before the orders were issued. A special declaration will be required at the time of entry. We will send out the link to the FRN when it is issued.

When the duties go into effect for a short time our entries will show the current duty rates until the International Trade Commission (ITC) updates the Harmonized Tariff Schedules (HTSUS) and U.S. Customs and Border Protection updates the programing with the changes by the ITC. Importers may see entries with regular rates for the first few days. We anticipate that when the HTSUS is updated, CBP will electronically reject the entry with correction instructions with the additional duties. The additional duties for the corrections are required to be paid within 2 days of the rejection. The payment will need to be paid by check. Electronic ACH payments are not allowed for additional duty payments after the original entry is transmitted.

The executive orders each include two special instructions. First, the additional duties under these orders will not be eligible for Drawback. Second, duty-free de minimis treatment under Section 321 will not be available for products of the three countries.

The three individual Executive Orders can be found at:

2025CanadaTariffs.NationalEmergency.eo.pdf

2025MexicoIEEPA.eo.pdf

2025ImposingDutiesinPRC.SyntheticOpioids.eo.pdf

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Tell RB