

## NEWS IN BRIEF

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## Quick Summary on Trump Tariffs

This is our summary of the recent notices for additional duties being assessed by the Trump Administration. Guidance for the applications of the tariffs has not been issued by CBP. We will be watching for the progress closely and will send out additional information and/or changes as we receive them.

### Reciprocal Tariffs

On Thursday, President Trump made a presentation on reciprocal tariffs. All countries will be assessed an additional 10% duty as of April 5. There are also 60 countries that have a higher average duty rate, and he will assess special reciprocal duties on them. The list of those 60 countries for the higher reciprocal tariffs and the applicable rates can be found here: [Annex-I-countries.pdf](#)

These tariffs for the 60 countries he is assessing are not fully reciprocal. For example, China averages 67% tariffs on U.S. products and the U.S. will counter with 34% for China products. These new tariffs will go into effect on April 9. These 60 countries will be assessed the 10% for all countries on April 5 and then those duties will be increased to the rates listed in Annex 1 on April 9. These additional duties will be in addition to the regular duties listed in the HTSUS,

Ad valorem rates of duty set forth in the order shall apply only to non-U.S. content of the article, provided that at least 20% of the article is of U.S. Origin. Some items will not be subject to the reciprocal tariffs:

- Aluminum and steel articles subject to 232 duties
- Products of Mexico and Canada subject to IEEPA assessments that are duty free as qualifying under USMCA.

There is an exemption from the reciprocal tariffs. Goods loaded on a vessel at the port of lading and in transit before April 5<sup>th</sup> will not be subject to the additional 10% duties. For the Annex 1 higher duty countries goods loaded on a vessel before April 9 will not be subject to the higher rates. The Administration issued a fact sheet with details on Thursday's announcement and it can be found at: <https://www.whitehouse.gov/fact-sheets/2025/04/fact-sheet-president-donald-j-trump-declares-national-emergency-to-increase-our-competitive-edge-protect-our-sovereignty-and-strengthen-our-national-and-economic-security>  
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### De Minimis for China is Ending

An executive order signed by President Donald Trump April 2 will end de minimis treatment (duty free treatment for shipments under \$800.00) for products of China and Hong Kong starting May 2 at 12:01 a.m.

## Auto and Auto Parts Tariffs

President Trump issued a proclamation assessing an additional 25% tariffs on imports of automobiles and of certain auto parts. The 25% duty will not be assessed on the value of U.S. content. Cars under this proclamation include passenger vehicles such as sedans, SUV's, crossover utility vehicles. Minivans. cargo vans light trucks. Parts covered by the proclamation include engines and engine parts, transmission and powertrain parts and electrical components. We expect details and guidance by Customs and order Protection shortly. These duties go into effect on April 3. A copy of the Presidential Proclamation and be found at: [Adjusting Imports of Automobiles and Automobile Parts into the United States – The White House](#)

## Beer and Empty Aluminum Cans Added to Aluminum Annex 1 List

President Trump has amended the list of items subject to 232 duties for aluminum derivatives products with an addition of two products. The two additional products are beer (2203.00.00) and empty aluminum cans (7612.90.10). The additional 232 duty for these items will go into effect on April 4.

## CBP sufficiency information

The formula that would most likely be used by CBP Revenue Division in a bond sufficiency review.

**Duties, Taxes & Fees x 10% = minimum bond amount or \$50,000 (rounded up by increments of \$10,000 previous 12 months up to \$100,000 and then by increments of \$100,000)**

*The bond amount is based on the last twelve (12) trailing months of entry activity and does not include any future projections.* Should the importer(s) on the bond expect an increase in entry activity or an increase in the amount of **duties, taxes and fees** to be paid for the next 12 months, we recommend to calculate the bond amount based on the additional projected activity to prevent insufficiency under the new bond in the near future.

Only CBP can deem a bond insufficient. CBP allows 30 days from the date on the bond insufficiency notice to replace the current bond. Importers may be able to validate bond saturation via CBP's ACE Portal as well.

The formula used by CBP does not consider sudden dramatic changes in duty rate or values. In such cases, the CBP bond requirement of **10% of trailing 12-month duties, taxes, and fees** would result in a stairstep of increasing bond amounts throughout the year. We recommend overestimating the bond amount to avoid bond insufficiency status which can disrupt importer's import operations. Since each incremental bond would require additional underwriting and/or collateral, it is in the importer's best interest to proactively forecast the total duties, taxes, and fees that will result from the new duty rules in the coming 12 months.

Carmichael's team can assist you with questions and concerns regarding your bond.



By Todd Boice, President

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