

# THE CARMICHAEL COMPASS

"WHEN THE TIDES OF TRADE SHIFT, WE'RE YOUR COMPASS."

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## US and EU Agree on Trade Framework

The United States and the European Community formally agreed to a framework for an Agreement on Reciprocal, Fair, and Balanced Trade. This agreement serves as an initial stage in a process that may be expanded to address additional matters related to marketplace access and the development of trade and investment strategies. The U.S. will continue with the announced reciprocal duty on articles with MFN rates under 15%, assessing a rate to bring the total to 15%. On articles with an MFN rate over 15%, no reciprocal duties will be assessed. The U.S. also promised that Section 232 actions on pharmaceuticals, semiconductors, and lumber would not result in a tariff rate over 15%.

The Framework will allow further review of steel. Aluminum and Derivative products. It will take effect once EU legislation is introduced. The Executive announcement can be found at: [Joint Statement on a United States-European Union Framework on an Agreement on Reciprocal, Fair, and Balanced Trade – The White House](#)

## Section 301 Duty Exemptions are Due to Expire on August 31

The remaining exclusions for Section 301 duties are scheduled to expire on August 31. We have seen no announcement on possible extensions on the last of the 301 exemptions. Trade groups have asked for an update, but there has been no announcement yet. We will watch for development closely.

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## Additional 25% Tariff for India Beginning August 27, 2025

In an executive order issued today, August 6, President Trump has imposed an additional 25% duty on India beginning 21 days from the imposition of the order on August 27, 2025. This 25% tariff is in addition to the 25% reciprocal rate that takes effect on August 7, as well as any other duties, fees, taxes, exactions, and charges applicable. The reason cited for the imposition of the tariff is India's importation of Russian oil.

Exemptions exist for goods subject to existing or future Section 232 tariffs, goods listed in Annex II to Executive Order 14257, goods loaded onto a vessel at the port of loading and in transit on the final mode of transit before 12:01 AM August 27 and entered before September 17, and goods excepted by 50 U.S.C. 1702(b) like donations and informational materials.

Provisions for modification and retaliation are included in this order. The order also sets out instructions for the Commerce Secretary, Treasury Secretary, and Secretary of State to determine whether other countries are directly or indirectly importing Russian oil and decide whether or not an imposition of an additional 25% duty rate on those countries is warranted.

## Customs User Fee Will Change on October 1

The User fees will undergo its annual adjustments on October 1, 2025. The Merchandise Processing Fee for formal entries will have an increase in the maximum and minimum amounts assessed. The maximum will increase from \$634.62 to \$651.50, and the minimum will increase from \$32.71 to \$33.58, the ad valorem MPF of 0.3464% will not change. The increase for informal entries that we file for our clients will increase to \$2.69. The full list of government fees can be found at: <https://www.federalregister.gov/documents/2025/07/23/2025-13869/customs-user-fees-to-be-adjusted-for-inflation-in-fiscal-year-2026-cbp-dec-25-10>

## 407 Classifications Have Been Added to the Steel Derivatives List

Last Friday, the Trump administration issued a list of 407 classifications to be added to the Section 232 aluminum and steel list that are subject to 50%, except for goods from the EU, which will be at 25%. These were added by the Department of Commerce. These are in effect now, and we have not received guidance from Customs and Border Protection. The notice is not very clear, and we are looking at how to administer them, including smelting and casting instructions. The list of the additional HTS numbers for steel can be found in the annex in a FRN at: Federal Register: Implementation of Duties on Steel Pursuant to Proclamation 10896 Adjusting Imports of Steel Into the United States. The list for the HTS aluminum can be found in the annex in a FRN at: CSMS # 65936615 - GUIDANCE: Section 232 Additional Aluminum Derivative Tariff Inclusion Products

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