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MEMORANDUM

August 11, 2025

BY ELECTRONIC MAIL

FROM: Olsson Frank Weeda Terman Matz PC

RE: Customs and Trade Update: New Reciprocal Tariff Rates Now in Effect; Additional 25% Tariff Imposed on India; Section 232 Tariffs on Copper and Copper Derivatives; Increased Tariff Rate on Canada; Pause in Increased Tariffs on Mexico; Additional 40% Tariff on Brazil; Section 301 Investigation on Brazil; Suspension of De Minimis Exemption; China and U.S. Reportedly Agree to Continue Suspension of Higher Tariffs Until November.

This memorandum outlines recent trade-related developments that may affect your business operations; i.e., new country-specific reciprocal tariff rates are now in effect as of 12:01 a.m. EDT August 7; an additional 25% tariff will be imposed on Indian-origin goods effective 12:01 a.m. EDT on August 27; an additional 50% Section 232 tariff is now due on certain copper and copper derivative products effective 12:01 a.m. EDT on August 1; the former 25% IEEPA/fentanyl tariff on Canadian-origin goods increased to 35% effective 12:01 a.m. EDT on August 1; an additional 40% tariff on Brazilian-origin goods is now in effect as of 12:01 a.m. EDT on August 6; a Section 301 investigation has been commenced into Brazilian-origin goods which may result in the imposition of additional tariffs; and the de minimis duty exemption for low-value goods will be suspended effective 12:01 a.m. EDT on August 29. A scheduled increase in tariffs on Mexican-origin products, however, has been paused for 90 days (until October 30, unless the U.S. reaches an agreement with Mexico at an earlier date). Finally, news reports earlier today stated that President Trump has signed an Executive Order continuing the suspension of the 34% reciprocal tariff on Chinese-origin goods until November; however, that Executive Order has not yet become publicly available.

1. New Reciprocal Tariff Rates Effective August 7

Effective 12:01 a.m. EDT on August 7, higher country-specific reciprocal tariff rates went into effect on the products of many U.S. trading partners pursuant to an Executive Order issued by President Trump on July 31. The legal basis asserted by President Trump for these modified rates continues to be the International Emergency Economic Powers Act ("IEEPA").

Higher Country-Specific Rates Listed in Annex I; Countries Not Listed Continue to be Subject to 10% Tariff Rate

The higher country-specific rates are listed in Annex I to the Executive Order, and range from a low of 10% on products of Brazil (although subject to an additional 40% tariff as discussed later in this update) and the UK to a high of 41% on the products of Syria. Certain of these rates (apparently) memorialize those reached in trade deals or the frameworks of trade deals reached with individual nations, as discussed below in this update memo or in previous memos; others were unilaterally imposed by the U.S.

We have provided the entire Annex I list of country-specific rates below. Some highlights include a 19% tariff rate generally applicable to products of Southeast Asia (Indonesia, Cambodia, Malaysia, Thailand, and the Philippines), with the exception of a slightly higher 20% on Vietnamese-origin products; tariff rates of 10% or 15% for certain countries with which the U.S. reached trade deals more advantageous to those countries (the U.K., the EU, South Korea); and higher tariffs of, for example, 25% on Indian-origin products (discussed in greater detail below) and 30% on South African-origin goods.

Countries and Territories	Reciprocal Tariff, Adjusted
Afghanistan	15%
Algeria	30%
Angola	15%
Bangladesh	20%
Bolivia	15%
Bosnia and Herzegovina	30%
Botswana	15%
Brazil	10%
Brunei	25%
Cambodia	19%

Countries and Territories	Reciprocal Tariff, Adjusted
Cameroon	15%
Chad	15%
Costa Rica	15%
Côte d`Ivoire	15%
Democratic Republic of the Congo	15%
Ecuador	15%
Equatorial Guinea	15%
European Union: Goods with Column 1 Duty Rate > 15%	0%
European Union: Goods with Column 1 Duty Rate < 15%	15% minus Column 1 Duty Rate
Falkland Islands	10%
Fiji	15%
Ghana	15%
Guyana	15%
Iceland	15%
India	25%
Indonesia	19%
Iraq	35%
Israel	15%
Japan	15%
Jordan	15%

Countries and Territories	Reciprocal Tariff, Adjusted
Kazakhstan	25%
Laos	40%
Lesotho	15%
Libya	30%
Liechtenstein	15%
Madagascar	15%
Malawi	15%
Malaysia	19%
Mauritius	15%
Moldova	25%
Mozambique	15%
Myanmar (Burma)	40%
Namibia	15%
Nauru	15%
New Zealand	15%
Nicaragua	18%
Nigeria	15%
North Macedonia	15%
Norway	15%
Pakistan	19%
Papua New Guinea	15%
Philippines	19%

Serbia	35%
South Africa	30%
South Korea	15%
Sri Lanka	20%
Switzerland	39%
Syria	41%
Taiwan	20%
Thailand	19%
Trinidad and Tobago	15%
Tunisia	25%
Turkey	15%
Uganda	15%
United Kingdom	10%
Vanuatu	15%
Venezuela	15%
Vietnam	20%
Zambia	15%
Zimbabwe	15%

Products of countries which are *not* listed in Annex I remain subject to a 10% reciprocal tariff rate. This 10% rate includes, for example, products of a number of Latin American countries such as Chile; products of Costa Rica and Ecuador, however, are subject to the higher 15% rate listed in Annex I.

Products of the EU

As explained by a CBP CSMS, while the reciprocal tariffs are imposed in addition to (are stacked on top of) the base rate of duty applicable to individual products, the 15% reciprocal

tariff rate listed in Annex I for EU-origin products is an "all in" rate: for an EU-origin product with a base rate of duty less than 15 percent, the applicable tariff rate will be 15% (composed of the base rate + a reciprocal tariff rate representing the difference between the base rate and 15%), while for EU-origin goods with a base rate of duty greater than or equal to 15%, only the base rate of duty will be due (the reciprocal tariff rate for those products will be zero). This resolves the divergence which we had previously reported between the U.S.'s and the EU's characterization of the terms of their framework trade deal.

Products of Canada, Mexico, and China

The reciprocal tariffs do not apply to products of Canada and Mexico which instead remain subject to their own IEEPA/fentanyl tariffs (discussed further below). The modifications in the reciprocal tariffs also do not affect the IEEPA-based tariffs currently imposed on Chinese-, Hong Kong-, and Macau-origin goods (20% IEEPA/fentanyl tariffs + 10% baseline reciprocal tariff) under the agreement pausing the enforcement of higher country-specific reciprocal tariffs on those products (discussed further below).

40% Rate for Products that are "Transshipped"

Goods that are "determined by CBP to have been transshipped to evade" the reciprocal tariffs will be subject to a 40% tariff in lieu of the country-specific reciprocal tariff rate or 10% reciprocal tariff rate applicable to goods of its country of origin; this 40% tariff will be in addition to any other duties, fees, taxes, etc. applicable to goods of the country of origin, as well as any applicable fines or penalties. The Executive Order makes clear that this provision is to be strictly applied: it prohibits CBP from allowing mitigation or remission of penalties assessed on such transshipped goods "consistent with applicable law," and directs Commerce, Homeland Security, and CBP to publish a list of countries and specific facilities "used in circumvention schemes" to "inform public procurement, national security reviews, and commercial due diligence."

The meaning of the term "transshipment" in the context of these tariffs remains unclear, including whether and to what extent it will extend beyond the "traditional" concept of the shipment of goods produced in one country through another country so as to allow an unlawful claim that that secondary country provides the origin of those goods, even though no or only minimal processing has been performed in that secondary country (i.e., the good has not been "substantially transformed" in that secondary country). The CSMS issued this week by CBP provides no further guidance, as it simply repeats that goods "determined by CBP to have been transshipped to evade applicable Reciprocal duties" are subject to the 40% tariff. While there have been reports that the Administration may consider goods to be transshipped if they contain a "significant" level of content (inputs) from any other country, there has been no official guidance on this point to date. This has created a situation of significant uncertainty for U.S. importers.

Exemption for In-Transit Goods

Significantly, certain in-transit goods are exempt from the increased reciprocal tariffs (and instead will remain subject to 10% baseline reciprocal tariffs). To qualify, a good must be: (1) loaded onto a vessel at the port of loading *and* in transit on the final mode of transport prior to entry into the United States before 12:01 a.m. EDT on August 7, 2025; and (2) entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. EDT on August 7, 2025 and before 12:01 a.m. EDT on October 5, 2025. Presumably, such goods are subject to the limitations on transloaded goods and goods transported on feeder vessels implemented by CBP in connection with similar exemptions for in-transit merchandise in prior rounds of reciprocal tariffs.

Other Exemptions

In addition, the existing exemptions from reciprocal tariffs continue in effect, i.e., reciprocal tariffs will not be due on:

- Canadian-origin products;
- Mexican-origin products;
- Goods of column 2 rate countries (Belarus, Cuba, North Korea, and Russia);
- Donations to relieve human suffering;
- Informational materials;
- Goods listed in Annex II to the Executive Order originally imposing the reciprocal tariffs, as clarified by President Trump's subsequent memorandum;
- Certain goods subject to Section 232 tariffs (articles of iron or steel, derivative articles of iron or steel, articles of aluminum, derivative articles of aluminum, passenger vehicles and light trucks, parts of passenger vehicles and light trucks, and semi-finished copper and intensive copper derivative products); and
- Goods in which at least 20% of the value is made up of U.S. content (the exemption applies only to the U.S. content, and the reciprocal tariff will be assessed on the non-U.S. content).

The reciprocal tariffs will also not apply to goods for which entry is properly claimed under the special tariff provisions contained in Chapter 98 of the HTSUS, with the exception of goods qualifying for AGOA, the U.S.-Caribbean Basin Trade Partnership Act, and various other Free Trade Agreements, as well as goods entered under subheadings 9802.00.40, 9802.00.50, 9802.00.60, and 9802.00.80.

In addition, the reciprocal tariffs will not be due for Temporary Importation Under Bond (TIB) entries; however, CBP has directed importers to report the applicable IEEPA and base tariff numbers for these entries to "ensure proper bonding" if the goods are later determined to not have met TIB requirements.

2. Additional *Ad valorem* Duty Imposed on India Effective August 27

Rationale and Stacking

On August 6, 2025, President Trump asserted that India's direct or indirect purchases of Russian Federation oil exacerbates the unusual and extraordinary threat to the national security and foreign policy of the United States posed by the actions and policies of the government of Russia and imposed, citing the IEEPA as legal authority, an additional *ad valorem* duty of 25% on certain products of Indian origin.

This additional *ad valorem* duty stacks on top of other applicable duties, taxes, fees, and exactions (including, for example, normal MFN duties, AD/CVD, etc.) and, when applicable, the 25% IEEPA reciprocal tariff previously imposed on India pursuant to the Executive Order of July 31, 2025.

Effective Date

The additional *ad valorem* duty is, in the absence of an exception or exemption, effective with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time on August 27, 2025, except for goods that (i) were loaded onto a vessel at the port of loading and in transit on the final mode of transit prior to entry into the United States before 12:01 a.m. eastern daylight time on August 27, 2025 and (ii) are entered for consumption, or withdrawn from warehouse for consumption, before 12:01 a.m. eastern daylight time on September 17, 2025.

Exemptions and Exceptions

Various exemptions and exceptions operate to mitigate the impact of the additional 25% *ad valorem* duty imposed by this EO. These include:

- Donations to relieve human suffering
- Goods set forth in Annex II to EO 14257 of April 2, 2025
- Goods subject to existing or future actions under Section 232
- Goods coming within the in-transit exception noted above
- Informational materials, including but not limited to, publications, films, posters, phonograph records, photographs, microfilms, microfiche, tapes, compact disks, CD ROMs, artworks, and news wire feeds

Additional carveouts are expected to be set forth in subsequent CSMS and Federal Register Notices.

Drawback

Drawback is not available with respect to the additional duties imposed by this EO.

Foreign Trade Zone

Products, excluding those eligible for admission under "domestic status," subject to the duty

imposed under this EO and admitted into a U.S. foreign trade zone on or after on or after 12:01 a.m. eastern daylight time on August 27, 2025, must be admitted in "privileged foreign status." This is significant insofar as it locks in the applicable duty rate at the time the copper enters the FTZ, regardless of subsequent manipulation or manufacturing within the zone.

Modification Authority

The EO of August 6, 2025 specifies that the president can, in response to additional information, recommendations from senior officials, or changed circumstances, modify the 25% *ad valorem* duty rate. In the event a foreign country retaliates by raising tariff rates on United States exports, the president is empowered to increase the ad valorem duty rate set forth in this EO by a corresponding amount.

Monitoring and Recommendations

The Secretary of Commerce, in coordination and consultation with the Secretary of the Treasury, the Secretary of State, Secretary of Homeland Security, and the United States Trade Representative, shall monitor the situation and recommend additional actions (including the imposition of an additional 25% duty) that can be taken by the president in the event (i) the EO does not resolve the emergency declared or (ii) the government of the Russian Federation or that of another foreign country take retaliatory action.

3. Import Duties on Copper and Copper Derivatives Effective August 1

On July 30, 2025, President Trump proclaimed the imposition of a universal 50% *ad valorem* duty on all imports of semi-finished copper products and intensive copper derivative products, effective with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time on August 1, 2025. This action flows from the Secretary of Commerce's finding that the present quantities and circumstances of copper imports threaten to impair the national security of the United States. The legal authority cited as justification for the taking of this action is Section 232 of the Trade Expansion Act of 1962.

Entry Filing

The 50% additional *ad valorem* rate of duty on the copper content of semi-finished copper and intensive copper derivative products shall be entered as provided in heading 9903.78.01 of the HTSUS.

The 0% additional *ad valorem* rate of duty on (i) the non-copper content of semi-finished copper and intensive copper derivative products and (ii) imported goods under the subject HTSUS classifications which contain no copper shall be entered as provided in heading 9903.7801.02 of the HTSUS.

Reporting Instructions

The 50% duty to be reported is based on the value of the copper content, as determined under the Customs Valuation Agreement. If the value of the copper content cannot be determined, then importers must report the duty based on the total entered value.

For articles not composed only of copper, the value of the copper content and the value of the non-copper content should be reported on two entry summary lines. The first line should represent the non-copper content, and the second line should represent the copper content.

In cases where there is insufficient documentation to support a reported value, CBP will collect duties on the copper content based on the entire value of the good.

Importers who submit underreported declarations may be subject to severe consequences, including, for example, significant monetary penalties, loss of import privileges, and criminal liability.

Duties Applicable to Non-Copper Content

The non-copper content of all subject copper articles remains subject to the IEEPA reciprocal tariffs or other applicable duties (i.e., those imposed under the IEEPA on Canada, Mexico, and China), unless otherwise excepted, as noted below.

Exemptions and Exceptions

Various exemptions and exceptions operate to mitigate the impact of the 50% *ad valorem* rate of duty imposed on imports of semi-finished copper products and intensive copper derivative products. These include:

- Section 232 Tariffs on Autos and Auto Parts: Copper 232 tariffs do not stack with auto 232 tariffs. If a product is subject to auto 232 tariffs, then the auto 232 tariffs apply, not the copper 232 tariffs.
- IEEPA Reciprocal Tariff Exception: The IEEPA reciprocal tariff exception set forth at 9903.01.33 of the HTSUS applies to goods subject to Section 232 tariffs, including semi-finished copper and intensive copper derivative products provided for in 9903.78.01 of the HTSUS.
- Copper Inputs and Scrap: Copper input materials (for example, copper ores, concentrates, mattes, cathodes, and anodes) and copper scrap are not subject to Section 232 or reciprocal tariffs.

Limitations

Several limitations inform the implementation of the presidential proclamation regarding the imposition of duties on copper and copper derivatives. These include:

- Drawback: No drawback is available with respect to the duties imposed by the

presidential proclamation.

- Foreign Trade Zone: Products, excluding those eligible for admission under "domestic status," subject to the duty imposed under this proclamation and admitted into a U.S. foreign trade zone on or after the effective date of August 1, 2025, must be admitted in "privileged foreign status." This is significant insofar as it locks in the applicable duty rate at the time the copper or copper derivative enters the FTZ, regardless of subsequent manipulation or manufacturing within the zone.

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Prospective Revision of Rate of Duty

The Secretary of Commerce shall monitor and review the status of copper and copper derivative imports with respect to national security. The secretary shall inform the president of any circumstances that might indicate the need for downstream upward or downward revisions of the rate of duty imposed on copper and copper derivatives.

Scope Expansion

Additional derivative copper articles may be added to the scope of the tariffs imposed under the proclamation pursuant to a process to be defined by the Secretary of Commerce. We expect that once established, this process will be similar to the process which has already been established to add derivative products of steel or aluminum to the list of products subject to Section 232 tariffs.

4. New Developments Relating to Canada and Mexico

Canada – IEEPA/Fentanyl Tariff Raised to 35% Effective August 1

On July 31, 2025, President Trump issued an executive order increasing the additional *ad valorem* tariff issued pursuant to EO 14193 from 25 to 35%, effective with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time on August 1, 2025. This action does not change the 10% tariff imposed under the same authority on certain Canadian energy products and potash.

The EO of July 31, 2025 identifies two rationales for taking this action: (i) Canada's lack of cooperation in stemming the flood of fentanyl and other illicit drugs across our northern border — including its failure to devote satisfactory resources to arrest, seize, detain, or otherwise intercept drug trafficking organizations, other drug or human traffickers, criminals at large, and illicit drugs and (ii) Canada's efforts to retaliate against the United States in response to Executive Order 14193. Canada's recent decision to recognize Palestinian statehood is also thought to have played a role in triggering this action, though this consideration is not specified in the EO of July 31, 2025.

The EO of July 31, 2025 does not alter or otherwise have any bearing on the tariff stacking priorities established by EO 14289 of April 29, 2025, as amended by Proclamation 10947 of June 3, 2025. These stacking priorities continue to correspond to (i) auto tariffs, (ii) steel/aluminum tariffs, and (iii) Canada/Mexico tariffs.

Goods "transshipped" for the purpose of evading the 35% tariff imposed under the EO of July 31, 2025 will be subject to an additional *ad valorem* rate of 40%, in lieu of the additional *ad valorem* rate of 35%, plus any other applicable or appropriate fine or penalty (without the benefit of mitigation). As in the EO on revised reciprocal tariff rates, the EO on Canada does not provide any definition of what goods are to be considered "transshipped." The Secretaries of Commerce and Homeland Security, in consultation with the United States Trade Representative, shall publish every 6 months a list of countries and specific facilities used in circumvention schemes, to inform public procurement, national security reviews, and commercial due diligence.

The Secretary of Homeland Security shall monitor the situation on the northern border and inform the president if the government of Canada has acted in a way that would justify taking further action.

Mexico – 90 Day Pause in Increase of IEEPA/Fentanyl Tariff

On July 31, 2025, President Trump announced that Mexico would, effective August 1, 2025, be granted a 90 day reprieve on any increase in the IEEPA tariffs assessed against the country's non-USMCA qualifying goods. The *ad valorem* tariff rate associated with all non-USMCA qualifying goods, excluding potash, had been slated to rise from 25% to 30%, effective August 1, 2025.

No Executive Orders, Fact Sheets, or Federal Register Notices have, to date, been issued by the administration in connection with the taking of this action. This limits public understanding of the action's underlying rationale. Press reports indicate that Trump's decision to grant the reprieve may have been influenced by: (i) Mexico's promise to remove non-tariff barriers; (ii) the positive prospects for a U.S.-Mexico security agreement that is currently being negotiated; and (iii) the fact that Mexico has not, to date, taken retaliatory action against the U.S.

5. Additional 40% *Ad valorem* Duty Imposed on Brazil Effective August 6

Rationale and Stacking

On July 30, 2025, President Trump asserted that the policies, practices, and actions of the government of Brazil threaten the national security, foreign policy, and economy of the United States and imposed an additional *ad valorem* duty of 40% on certain products of Brazilian origin.

This additional *ad valorem* duty stacks on top of other applicable duties, taxes, fees, and exactions (including, for example, normal MFN duties, AD/CVD, etc.) and, when applicable, the 10% IEEPA reciprocal tariff previously imposed on Brazil pursuant to EO 14257 of April 2, 2025. Goods subject to the additional *ad valorem* duty rate of 40% shall be entered as provided in heading 9903.01.77 of the HTSUS.

Effective Date

The additional *ad valorem* duty is, in the absence of an exception or exemption, effective with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time on August 6, 2025. The EO establishes an in-transit grace period for goods (i) loaded onto a vessel at the port of loading and in transit on the final mode of transit prior to entry into the United States, before 12:01 a.m. eastern daylight time on August 6, 2025 and (ii) entered for consumption, or withdrawn from warehouse for consumption before 12:01 a.m. eastern daylight time on October 5, 2025. Goods coming within the in-transit grace period shall be entered as provided in heading 9903.01.78 of the HTSUS.

Exemptions and Exceptions

Various exemptions and exceptions operate to mitigate the impact of the additional 40% *ad valorem* duty imposed by this EO. These include:

- Donations to relieve human suffering
- Goods set forth in Annex I of the EO, including certain silicon metal, pig iron, civil aircraft and parts and components thereof, metallurgical grade alumina, tin ore, wood pulp, precious metals, energy and energy products, and fertilizers.
- Goods coming within the in-transit exception noted above
- Informational materials, including but not limited to, publications, films, posters, phonograph records, photographs, microfilms, microfiche, tapes, compact disks, CD ROMs, artworks, and news wire feeds
- Civil aircraft (all aircraft other than military aircraft), including engines, ground flight simulators, parts, components, and subassemblies that meet the criteria of General Note 6 of the HTSUS
- Goods for which entry is properly claimed under a provision of chapter 98 of the HTSUS pursuant to applicable regulations of U.S. Customs and Border Protection (CBP), and whenever CBP agrees that entry under such a provision is appropriate, except for goods entered under heading 9802.00.80; and subheadings 9802.00.40, 9802.00.50, and 9802.00.60.

Drawback

Drawback is available with respect to the additional duties imposed by this EO.

Foreign Trade Zone

Products, excluding those eligible for admission under "domestic status," subject to the duty imposed under this EO and admitted into a U.S. foreign trade zone on or after on or after 12:01 a.m. eastern daylight time on August 6, 2025, must be admitted in "privileged foreign status." This is significant insofar as it locks in the applicable duty rate at the time the copper enters the FTZ, regardless of subsequent manipulation or manufacturing within the zone.

Modification Authority

The EO of July 30, 2025 specifies that the president can, in response to additional information, recommendations from senior officials, or changed circumstances, modify the 40% *ad valorem* duty rate. In the event the government of Brazil retaliates by raising tariff rates on United States exports, the president is empowered to increase the ad valorem duty rate set forth in this EO by a corresponding amount.

Monitoring and Recommendations

The Secretary of State, in consultation with the Secretary of the Treasury, the Secretary of Commerce, the Secretary of Homeland Security, and the United States Trade Representative, shall monitor the situation and recommend additional actions that can be taken by the president in the event the EO does not resolve the emergency declared or the government of Brazil takes retaliatory action.

6. Initiation of Section 301 Investigation into Brazil's Unfair Trading Practices

On July 15, 2025, the USTR initiated an investigation of Brazil under Section 301 of the Trade Act of 1974. The investigation seeks to determine whether certain acts, policies, and practices of the Government of Brazil are unreasonable or discriminatory and burden or restrict U.S. commerce; if the USTR finds that they are, Section 301 tariffs may be imposed on Brazilian-origin goods in addition to the IEEPA-based tariffs outlined above. Specific Brazilian trade practices to be examined include:

- Digital trade and electronic payment services
- Unfair, preferential tariffs
- Anti-corruption enforcement
- Intellectual property protection
- Illegal deforestation
- Ethanol

A public hearing is scheduled for September 3, 2025. Written comments and requests to appear at the hearing are due on August 18, 2025.

7. *De Minimis* Exemption Suspended

On July 30, 2025, President Trump issued an Executive Order suspending duty free de minimis treatment under 19 USC 1321(a)(2)(C) for commercial shipments from all countries, effective August 29, 2025. This action expands on the earlier elimination of de minimis treatment for packages sent from China and Hong Kong under EO 14256 of April 2, 2025. It also aligns with the elimination of the de minimis exemption provided for in Section 70531 of the Big Beautiful Bill Act, though on a more accelerated timeline (Section 70531 of the Big Beautiful Bill Act eliminates de minimis treatment as of July 1, 2027).

Under the terms of this EO, shipments that are not sent through the international postal network

are subject to all duties, tariffs, taxes, fees, and exactions. Shipments sent through the international postal network are, alternatively, subject to duties and tariffs in accordance with the methodology chosen by carriers. Methodological options available to carriers include (i) calculating and paying duty on the value of each dutiable postal item (package) at the effective IEEPA tariff rate applicable to the country of origin of the product or (ii) applying a specific, flat rate of duty corresponding to the IEEPA tariff applicable to the country of origin of the goods being shipped, in accordance with the rate structure set forth in the EO. Carriers are, under the terms of this EO, required to apply their chosen methodology to shipments on a consistent basis, though changes of methodology are permitted on a monthly basis. These methodological options are available to carriers for six months, after which time carriers must calculate and pay tariffs actually owed.

8. 90 Day Extension of Pause on Increased China Tariffs

The current 10% reciprocal tariff on Chinese-, Hong Kong-, and Macau-origin goods had been set to rise to 34% on August 12, 2025, which was the date on which the current US-China agreement suspending the increase was set to expire; had this increase gone into effect, the tariffs on these products would have increased from the current total approximate additional rate of 55% (20% IEEPA/fentanyl tariff + 10% reciprocal tariff + 25% Section 301 tariff) to a total approximate additional rate of 79% (20% IEEPA/fentanyl tariff + 34% reciprocal tariff + 25% Section 301 tariff). We are aware of numerous reports from earlier today that President Trump has signed an Executive Order extending this pause for an additional 90 days; however, this Executive Order has not yet been made publicly available.

The previous memoranda sent discussing presidential actions regarding these fast-moving trade developments are:

1. American First Trade Policy, Jan. 20, 2025
2. U.S. Imposes Tariffs on Mexico, Canada, and China, Feb. 2, 2025
3. Update: U.S. Imposes Tariffs on Mexico, Canada, and China, Feb. 3, 2025 (Canadian/Mexican tariffs suspended; Effective date of 10% tariff on products of China and Hong Kong)
4. Update on Trade War, Feb. 5, 2025(China's Response to New U.S. Tariffs, Impacted Industries, Potential Forthcoming U.S. Trade Activity, and Tariff Mitigation for Machinery and Parts of Machinery for Agricultural and Horticultural Use)
5. Update on Trade War: U.S. Imposes Tariffs on Steel and Aluminum, Response from Targeted Countries, and China Imposes Retaliatory Tariffs, Feb. 12, 2025
6. Update on Trade War: U.S. Releases Lists of Additional Derivative Articles of Steel and Aluminum Which Will be Subject to Section 232 Tariffs, and Issues a Presidential Memorandum on Reciprocal Trade and Tariffs, Feb. 17, 2025
7. Update on Trade War: U.S. to Move Forward with 25% Tariffs on Mexico and Canada Products and Double Tariff on Chinese-Origin Products to 20%; Section 232 Investigation on Copper Imports; USTR Requests Comments, Feb. 28, 2028.

8. Trade War Update, U.S. Tariffs on Canadian and Mexican Origin Goods; Increase in U.S. Tariffs on China; New Section 232 Tariffs on Derivative Articles of Steel and Aluminum Go into Effect; Tariff Investigations on Timber, Mar. 4, 2025.
9. Trade War Update: New Section 232 Tariffs on Derivative Articles of Steel and Aluminum Go into Effect Today – March 12, 2025.
10. Trade War Update: U.S. Imposes Automotive Tariffs; "Secondary Tariffs" on Countries Importing Oil or Gas from Venezuela; CBP Issues FAQs on Steel and Aluminum Derivatives; April 2 Reciprocal Tariff Actions; and Anticipated Sectoral Tariffs on Pharmaceuticals and Lumber, March 29, 2025.
11. Reciprocal Tariffs and other tariff actions taken on Tariff Liberation Day, April 3, 2025.
12. Section 232 on Pharmaceuticals, Semiconductors, Critical Minerals, Electronic goods, FAQ; April 17, 2025.
13. Stacking Tariffs, De Minimis Changes, Auto Tariff Adjustments, Section 232 Inclusion Process, CBP's IEEPA FAQ Update, CBP Summit, and Potential 100% Tariff on Films May 7, 2025.
14. 90-Day Pause for 125% IEEPA China Tariff UK-US Fair Trade Deal, and Trade Negotiations with other Nations, May 12, 2025.
15. OFW Memo - Trade War Update CIT Ruling On IEEPA Tariffs and Subsequent Actions, June 2, 2025.
16. Section 232 Tariffs on Steel and Aluminum and their Derivatives Double to 50% Effective June 4, June 5, 2025.
17. Trade War Update: Terms of the U.S.-U.K. Deal and other Trade Updates, June 19, 2025.
18. US Trade Deals Announced with Indonesia Japan Philippines_July 25 2025.
19. EU Cooperation Agreement on Reciprocal, Fair and Balanced Trade and 15-20%; Baseline Tariff Rate on Other Countries.

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We will continue to monitor this situation closely and will report all significant developments. In the interim, please do not hesitate to reach out to us with questions or requests for additional information at Jessica Rifkin (jrifkin@ofwlaw.com) or Robert Kossick (rkossick@ofwlaw.com).