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MEMORANDUM

November 5, 2025

BY ELECTRONIC MAIL

FROM: Olsson Frank Weeda Terman Matz PC

RE: Customs and Trade Update: October 15, 2025 – November 5, 2025

This memorandum outlines recent trade and investment-related developments that may affect your business operations. These include: the negotiation of an interim deal on US-China economic and trade relations; the reaching of a framework agreement on U.S.-Vietnam trade; the conclusion of reciprocal trade agreements with Malaysia, Cambodia, and Thailand; the securing of South Korea trade and investment commitments; the negotiation of critical mineral MOUs with Malaysia and Thailand; the announcement of a U.S.-Australia framework for securing critical minerals and rare earths; the launch of the 2026 USMCA joint review consultation process; the extension of the IEEPA/Fentanyl deadline for Mexico; the implementation of Section 232 tariffs on buses, trucks, and parts; the opening of a public comment period for Section 232 steel and aluminum inclusion requests; the reaching of a determination in the Nicaragua-focused Section 301 investigation, together with the opening of a period for submitting public comments on the USTR's proposed measures; and the award of a contract to a private sector supply chain intelligence service geared to facilitating the detection of illicit transshipments.

U.S.–China Trade Deal and U.S. engagement with South Korea, Malaysia, Cambodia, Thailand, and Vietnam

On November 1, 2025, the White House issued a Fact Sheet entitled "President Donald J. Trump Strikes Deal on Economic and Trade Relations with China," summarizing the key outcomes of the U.S.–China Trade Deal and U.S. engagement with South Korea, Malaysia, Cambodia, Thailand, and Vietnam. We anticipate formal communication to be forthcoming, such as a Federal Register notice and/or Customs message via the Cargo Service Messaging System.

The Fact Sheet outlines five major takeaways from the recent U.S.–China trade agreement:

1. U.S. Tariff Reductions and Regulatory Suspensions: The United States will cut specific tariffs on Chinese imports, extend tariff exclusions for another year, and suspend new export control rulemaking and responsive actions against China's maritime, logistics, and shipbuilding sectors for one year. Specifically,
    1. The current 20% IEEPA-based ***fentanyl tariffs*** on Chinese-origin goods will be reduced to ***10% effective November 10, 2025***. There is no retroactive applicability to the date of the Fact Sheet.
    2. ***Reciprocal tariffs*** on China will continue to be subject to the current ***10% baseline until November 10, 2026***.
    3. Section 301 exclusions currently due to expire on November 29, 2025, will be extended until November 10, 2026.
    4. Starting November 10, 2025, the United States will suspend for one year the implementation of responsive actions under the Section 301 investigation targeting China's maritime, logistics, and shipbuilding sectors, as previously advised by U.S. Trade Representative Jamieson Greer.
2. Chinese Market Access and Trade Easing: China has agreed to remove or suspend key export controls imposed in April 2025 and October 2022 on rare earth elements[1] and critical minerals by granting a general license, ***reopen its market to U.S. soybeans and other agricultural goods by removing its retaliatory tariffs imposed***[2], and lift retaliatory tariffs and non-tariff measures targeting major American semiconductor manufacturers and other major U.S. companies.[3]
3. Fentanyl Commitments: China will take major steps to halt the flow of fentanyl precursor chemicals to the United States, including specific actions to stop certain designated chemical shipments and stricter export controls on other chemicals globally.
4. **Agricultural Purchase Guarantees:** China committed to large-scale purchases of U.S. soybeans—at least 12 million metric tons by the end of 2025 and 25 million metric tons annually through 2028—as well as the resumption of other commodity purchases such as sorghum and hardwood logs.
5. China has agreed to remove measures it imposed in retaliation for the U.S.' Section 301 investigation targeting China's dominance in the maritime, logistics, and shipbuilding sectors, including lifting sanctions on various shipping entities.

South Korea Trade Deal Negotiations

President Trump's recent visit to the Republic of Korea (ROK) culminated in securing a trade agreement to reduce tariffs and several multi-billion-dollar agreements supporting key U.S. economic sectors.

Although the White House issued fact sheet is silent regarding tariffs, according to the South

[1] Including gallium, germanium, antimony, and graphite. The general license means the de facto removal of controls China imposed in April 2025 and October 2022.

[2] This includes tariffs on a vast swath of U.S. agricultural products: chicken, wheat, corn, cotton, sorghum, soybeans, pork, beef, aquatic products, fruits, vegetables, and dairy products.

[3] Including China's listing of certain American companies on its end user and unreliable entity lists. China will also allow production of critical legacy chips to flow to the rest of the world.

Korea's government, the deal includes reduced tariffs on South Korean goods outside of Section 232 actions, including automobiles, to a uniform 15% rate. This reciprocal tariff reduction has been effective since August 7, 2025; however, it did not extend to autos due to disagreements over the structure and profit sharing details of the $350 billion U.S. financial investment package, according a statement from the South Korea's government, which states the automotive tariff is expected to become retroactive to November 1 upon ratification by South Korea's National Assembly in November. The Trump Administration has yet to confirm the validity of tariff terms and the retroactivity of the reduced rate on autos.

Additional details related to the trade deal include provisions to cap South Korean financial investments in the U.S. at $350 billion, divided into $200 billion in phased cash payments—with an annual cap of $20 billion to stabilize currency markets—and $150 billion allocated for shipbuilding cooperation. The investment package is structured to be commercially reasonable, guaranteeing principal and interest, with profits split equally between the two countries until Korean investors are repaid. Furthermore, the deal ensures favorable treatment for pharmaceuticals, wood products, aircraft parts, generic drugs, and natural resources not produced domestically by the U.S. South Korea also negotiated tariff parity for semiconductor exports relative to Taiwan and secured market access for sensitive agricultural products, including rice and beef.

Additionally, several agreements supporting key U.S. economic sectors, including aerospace, energy, technology, and maritime industries, have been made, according to a White House issued fact sheet. These deals are projected to create thousands of American jobs, strengthen the bilateral alliance, and advance America's global leadership in critical technologies and infrastructure.

Noteworthy agreements include Korean Air's $36.2 billion Boeing aircraft purchase, major energy investments involving LNG and uranium enrichment, a Technology Prosperity Deal advancing AI and quantum innovation cooperation, and substantial commitments to modernize U.S. shipbuilding capabilities.

U.S.-Malaysia Agreement on Reciprocal Trade Framework

October 26, 2025, the United States and Malaysia reached a trade agreement that is legally binding according to the USTR. Under the deal, Malaysia will eliminate or sharply reduce tariffs on nearly all U.S. exports, granting non-discriminatory or even preferential access for both agricultural and industrial goods. A central feature of this agreement is Malaysia's commitment to address non-tariff barriers that have historically hindered access for U.S. companies.

Key terms of the U.S.-Malaysia Agreement on Reciprocal Trade include:

Tariffs: Malaysia has committed to provide significant preferential market access for U.S. products exported to Malaysia across goods sectors, including chemicals, machinery and electrical equipment, metals, passenger vehicles, dairy, horticultural products, poultry, pork, rice, and fuel ethanol.

The United States will maintain a **19% reciprocal tariff rate** for imports of Malaysia except for identified products from the list set out in Annex III to Executive Order 14346 of September 5, 2025, Potential Tariff Adjustments for Aligned Partners, which will receive a zero percent reciprocal tariff rate. Annex III includes products like certain agricultural goods, aircraft and parts, non-patented pharmaceutical components, and items that cannot be produced in sufficient quantities in the U.S.

Breaking Down Non-Tariff Barriers for U.S. Industrial Exports: Malaysia has committed to address a range of non-tariff barriers, including by: (1) accepting U.S. manufactured vehicles built to U.S. motor vehicle safety and emissions standards; (2) accepting U.S. Food and Drug Administration certificates and prior marketing authorizations for medical devices and pharmaceuticals; (3) streamlining import licenses for U.S. alloy steel and pipe products, and steel-containing goods; and (4) removing restrictions on imports of remanufactured goods.

Breaking Down Non-Tariff Barriers for U.S. Agricultural Exports: Malaysia has committed to address a range of non-tariff barriers, including through: (1) recognition of the U.S. food safety system for U.S. meat, poultry, and dairy products; (2) streamlined halal certification of U.S. food and agricultural products; (3) opening market access for U.S. sorghum to Malaysia; and (4) adoption of regionalization approaches to facilitate U.S. exports of pork and poultry.

Opening Doors for Critical Minerals and Rare Earths Partnerships: Malaysia has committed to the expedient development of its critical minerals and rare earths sectors in partnership with U.S. companies.

Removing Barriers for Digital Trade, Services, and Investment: Malaysia has made commitments on digital trade, services, and investment. Malaysia has committed to refrain from imposing digital services taxes or requiring U.S. social media platforms and online service providers to pay into Malaysia's domestic fund; ensure the transfer of data across trusted borders for the conduct of business; support a permanent moratorium on customs duties on electronic transmissions at the World Trade Organization; and remove broadcasting restrictions on U.S. programming.

Geographical Indications (GIs) and Market Access: Malaysia has committed to groundbreaking provisions that will preserve current and future U.S. market access for U.S. cheese and meat producers who rely on the use of common names. This includes ensuring that market access will not be restricted due to the mere use of certain cheese and meat terms

Addressing Steel Excess Capacity: Malaysia has committed to join the Global Forum on Steel Excess Capacity and take effective actions to address global excess capacity in the steel sector and its impacts.

Both have agreed to significantly enhance intellectual property protections, prioritizing enforcement against piracy and aligning with international treaties to benefit American innovators. Both nations are committed to strengthening economic security by improving supply chain resilience, combating unfair trade practices, and cooperating on export controls and investment protections. Malaysia has also pledged to advance labor rights, environmental

enforcement, and address distortions caused by state-owned enterprises and subsidies, underscoring a comprehensive approach to fair and sustainable trade relations.

U.S.-Cambodia Agreement on Reciprocal Trade

On October 26, 2025, the United States and the Kingdom of Cambodia reached a trade agreement that is legally binding according to the USTR.

Key terms of the U.S.-Cambodia Agreement on Reciprocal Trade include:

Tariffs: Cambodia has eliminated tariffs on 100% of U.S. products exported to Cambodia. The United States will maintain a **19% reciprocal tariff rate** for imports of Cambodia except for identified products from the list set out in Annex III to Executive Order 14346 of September 5, 2025, Potential Tariff Adjustments for Aligned Partners, which will receive a zero percent reciprocal tariff rate. Annex III includes products like certain agricultural goods, aircraft and parts, non-patented pharmaceutical components, and items that cannot be produced in sufficient quantities in the U.S.

Breaking Down Non-Tariff Barriers for U.S. Industrial Exports: Cambodia has committed to address a range of non-tariff barriers, including by: (1) streamlining and reducing import licensing and regulatory requirements; (2) accepting U.S. manufactured vehicles built to U.S. motor vehicle safety and emissions standards; and (3) accepting U.S. Food and Drug Administration certificates and prior marketing authorizations for medical devices and pharmaceuticals.

Breaking Down Non-Tariff Barriers for U.S. Agriculture Exports: Cambodia has committed to address and prevent barriers to U.S. agricultural exports in the Cambodian market, including by recognizing U.S. regulatory oversight and accepting certificates issued by U.S. regulatory authorities, as well as recognizing U.S. sanitary and phytosanitary measures and other measures for food and agricultural products.

Removing Barriers for Digital Trade, Services, and Investment: Cambodia has made comprehensive commitments on digital trade, services, and investment, including commitments to support a permanent moratorium on customs duties on electronic transmissions at the World Trade Organization, ensure the transfer of data across trusted borders for the conduct of business, and refrain from imposing digital services taxes or other discriminatory measures.

Geographical Indications (GIs) and Market Access: Cambodia has committed to groundbreaking provisions that will preserve current and future U.S. market access for U.S. cheese and meat producers who rely on the use of common names. This includes ensuring that market access will not be restricted due to the mere use of certain cheese and meat terms. Additionally, Cambodia has committed to strengthening intellectual property protection and enforcement to benefit American innovators, including adherence to key international treaties and robust actions against counterfeiting and piracy. The agreement enhances economic security cooperation by addressing unfair trade practices, export controls, and duty evasion, while also committing Cambodia to uphold internationally recognized labor rights, including prohibitions

on forced labor, and to strengthen environmental law enforcement. Further commitments include addressing distortions caused by state-owned enterprises and subsidies, alongside notable commercial deals, such as increased U.S. aerospace exports, reflecting a broad framework for fair, reciprocal, and sustainable trade relations.

Forced labor

The US-Malaysia and US-Cambodia trade agreements both include commitments to prohibit imports made with forced labor and impose potential restrictions on goods subject to U.S. Withhold Release Orders, referencing Section 307 of the Tariff Act of 1930; notably, neither agreement references the Uyghur Forced Labor Prevention Act (UFLPA). Additionally, both agreements require cooperation on enforcement best practices, including information sharing; Malaysia is specifically obligated to implement its forced labor import ban within two years from the agreement's entry into force and actively engage with the U.S. on knowledge exchange. The US-Cambodia agreement includes similar forced labor prohibitions but lacks a defined implementation timeline and does not expressly provide for information sharing, creating uncertainty regarding enforcement mechanisms.

Canada Trade Negotiations

On October 23, 2025, President Trump announced the immediate termination of all trade negotiations with Canada, citing a Canadian advertisement funded by the Ontario government that featured excerpts from a 1987 speech by former President Ronald Reagan criticizing tariffs as harmful and deceptive. The President characterized the ad as a fraudulent attempt to influence the U.S. Supreme Court's pending consideration of lawsuits challenging tariffs imposed under the International Emergency Economic Powers Act, including the fentanyl-related tariffs and reciprocal tariffs on Canadian goods. The tariffs currently in place include a 35% tax on numerous Canadian imports, with specific focus on sectors such as steel, aluminum, and automobiles. Following the announcement, President Trump declared on social media that all trade negotiations with Canada were terminated, and signaled an intention to increase tariffs on Canadian goods by an additional 10%. No official statement has been published.

United States-Canada-Mexico Agreement (USMCA) 2026 Review

United States-Canada-Mexico Agreement (USMCA) will be under joint review on July 1, 2026. The Office of U.S. Trade Representative closed its public comment period on November 3, 2025, on the operation and use of USMCA. Approximately 4,600 were submitted, including comments submitted by National Customs Brokers and Forwarders of America, National Confectioners Association, American Feed Industry Association, U.S. Wheat Associates and the National Association, The Aluminum Association, U.S. Meat Export Federation, Semiconductor Industry Association, National Farmers Union, FMI - the Food Industry Association, The Toy Association. USTR will hold a public hearing on November 17.

At the joint review, the three countries will assess the agreement's performance and determine its future. If all parties agree to renewal, the agreement will remain in force for another 16 years, with a review in 2032. However, other outcomes are possible. The agreement could enter a

period of annual reviews if renewal is delayed or denied. Further, one or more countries could withdraw, opening the door to a return to bilateral arrangements or expiration in 2036.

The Trump administration is expected to withhold its renewal approval of the USMCA unless a partial renegotiation of certain provisions is achieved during the upcoming joint review. While the full scope of the U.S. plan remains under development, key initiatives under consideration in Washington include tightening the rules of origin for the automotive sector, enhancing forced labor import prohibitions, imposing new restrictions on Chinese companies operating in North America, and resolving outstanding implementation disputes within USMCA.

Section 232 Action on Buses, Medium- and Heavy-Duty Trucks and Parts

Effective November 1, 2025, the U.S. has implemented new Section 232 tariffs on medium- and heavy-duty trucks, their parts, and buses. This was announced on October 17, 2025 in Proclamation 10984, "Adjusting Imports of Medium- and Heavy-Duty Trucks, Medium- and Heavy-Duty Truck Parts, and Buses into the United States" Specifically, these tariffs are 25% on Class III through VIII trucks and certain parts, and 10% on buses, with certain exemptions for older vehicles and U.S.-content qualifying vehicles under USMCA. These tariffs aim to address national security concerns related to import dependence, but importers may use specific HTS subheadings to claim applicable tariff exemptions or reductions, particularly if the vehicles or parts qualify under USMCA and other criteria. See CBP's CSMS#66665333 for entry filing instructions.

Section 232 Steel and Aluminum Tariff Inclusions Process

On February 10, 2025, the President issued Proclamations 10895 and 10896, titled "Adjusting Imports of Aluminum into The United States" and "Adjusting Imports of Steel into the United States," respectively (collectively, the Inclusions Proclamations). These proclamations imposed specific ad valorem duties on imports of aluminum and steel products. They also directed the Secretary of Commerce to establish a process for including additional derivative aluminum and steel articles within the scope of these tariffs.

Following this directive, the Bureau of Industry and Security (BIS) recently posted a second round of Section 232 tariff inclusion requests for new derivative products subject to steel and aluminum tariffs. This notice initiated a two-week public comment period, with submissions due by October 21, 2025. The agency received 95 new inclusion requests in response to this latest notice, following an initial round beginning in May 2025 in which BIS added 407 out of 467 requested tariff subheadings to the jurisdiction of the Section 232 tariffs. Those tariffs took effect on August 18, approximately three months after the first round of requests was posted.
The next round for the Section 232 Steel and Aluminum Tariff Inclusions Process will open in **January 2026**. This process occurs three times a year.

This ongoing inclusion process underscores the evolving scope of Section 232 steel and aluminum tariffs and the importance for importers and exporters to monitor and engage in the comment process to protect their interests.

Transshipment and country of origin

The U.S. Customs and Border Protection (CBP) has awarded a multi-million-dollar contract to AI supply chain technology firm Exiger to enhance detection and enforcement efforts against illicit transshipment, a key tactic for evading tariffs, trade restrictions, and sanctions. Exiger's advanced AI platform will support CBP in validating tariff classifications, values, and country of origin, mapping supply chain flows, generating automated bills of materials, and real-time risk scoring of shipments, significantly modernizing trade compliance and enforcement capabilities. Importers are advised to strengthen compliance programs in line with CBP and partner agency standards, as the importer of record retains the ultimate responsibility for exercising reasonable care for accurate declarations on classification, valuation, origin, and admissibility, regardless of the use of customs brokers. CBP's investment in AI-driven tools signals an increase in focused targeting and enforcement activities, making robust compliance programs essential to mitigating regulatory risks.

USTR Section 301 Action: Proposes to suspend, withdraw, or prevent of application of benefits of the CAFTA-DR to Nicaragua

The U.S. Trade Representative (USTR) is proposing a range of responsive actions under Section 301 against Nicaragua due to significant labor and human rights violations and disregard for the rule of law, which are found to be unreasonable and burdensome to U.S. commerce. Proposed measures include suspending or withdrawing all or some benefits granted to Nicaragua under the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR), including tariff concessions and cumulation of Nicaraguan content for other CAFTA-DR partners. Additionally, USTR proposes imposing tariffs of up to 100% on some or all products imported from Nicaragua, with implementation potentially phased over a period of up to 12 months. The current reciprocal tariff rate is 18%, which applies even if the imported goods qualify for duty-free treatment under CAFTA-DR.

Public comments on these proposals are invited and must be submitted by November 19, 2025. Currently, there are over 850 comments submitted, including comments submitted on textile, cigar, FTZ manufacturing, and apparel industries, with only one comment from a beef importer.

Stakeholders are encouraged to address the scope and timing of suspensions or tariff increases, as well as the potential economic impact on U.S. interests, including small and medium-sized businesses and consumers. We assist companies with crafting arguments and submitting comments. Please contact our team members for assistance.
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, and the Philippines, July 25, 2025.

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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 Denise Calle (dcalle@ofwlaw.com).