



## RECENT TRUMP TARIFF STATEMENTS AND CHINA IEEPA FTZ UPDATE (February 28, 2025)

### President Trump Statements on Mexico, Canada, China, Reciprocal Tariffs, E.U. Countries, Automobiles, Pharmaceuticals, and Semiconductors

On Wednesday and Thursday, President Trump made the following statements regarding additional tariffs. The below actions may or may not occur on the below dates.

- 25% additional tariffs on goods from Mexico and Canada “will, indeed, go into effect, as scheduled” on March 4. As discussed in our February 3 “What’s New” [update](#), these additional tariffs were formally announced in two Executive Orders (“E.O.”) issued on February 1, and were subsequently “paused” for one month as discussed in our February 4 [update](#). In other statements, President Trump and Commerce Secretary Howard Lutnick [differed](#) on implementation dates. It is also possible that Mexico and Canada will reach an agreement,
- The 10% IEEPA additional tariffs on products of China that went into effect on February 4 will increase by an additional 10% on March 4. The 10% IEEPA additional tariffs were discussed in our February 3 “What’s New” [update](#) and are in addition to the Section 301 additional duties already imposed on many Chinese origin products.
- Reciprocal Tariffs will be imposed on April 2, the day after the reports directed by President Trump’s January 20 America First Trade Policy memorandum and discussed in our February 13 “What’s New” [update](#) are due.
- In a Thursday press conference, President Trump [stated](#) that his administration will announce 25% additional tariffs on products from E.U. member countries “very soon” and that the tariffs will be on “cars and all other things.”
- President Trump previously announced 25% or more additional tariffs on automobile, pharmaceutical, and semiconductor imports. Recent comments by President Trump and Commerce Secretary Lutnick indicate they will be announced on April 2.

These various additional tariff statements raise many questions and issues for importers, including:

- These comments and postings are not formal Executive Orders or Presidential Proclamations. Therefore, the specific details are not yet known.
- When the official announcements are made, it will be important to carefully scrutinize the product scope, affected countries, duty rate, effective date, exclusions, and other details of each additional tariff remedy.
- Experience with the existing Section 301, Section 232, and China IEEPA tariffs indicates that the various additional tariffs overlap and will be applied on top of other additional tariffs.
- Clients are reminded as noted in our February [11](#) and [14](#) “What’s New” updates that Section 232 additional steel and aluminum tariffs are scheduled for March 12, except derivative goods subject to Commerce certification date implementation. Additional [Federal Register](#) notices with additional clarity are expected soon, because the [steel](#) and [aluminum](#) Proclamations direct HTSUS revisions within 10 days of March 12.
- Details on the treatment of product in foreign-trade zones (FTZs), under duty drawback, and using HTSUS Chapter 98 classifications could be different by

program, and will need to be carefully considered to identify available duty avoidance or deferral options.

## **China IEEPA Tariffs and Pre-February 4 Privileged Foreign (PF) Status Merchandise**

At long last 24 days after implementation, U.S. Customs Headquarters has shared the following guidance which provides certainty on the 10% China IEEPA tariff treatment of China and Hong Kong goods in Privileged Foreign (PF) zone status prior to February 4, 2025 that are entered on or after February 4, 2025:

Subject: FTZ – goods of Chinese origin which were already in a FTZ and in Privileged Foreign Status prior to February 4, 2025

Goods of Chinese origin which were already in a FTZ and in Privileged Foreign Status prior to February 4, 2025, are not subject to the additional 10% Trade Remedy; and that the submission of the additional Chap 99 number (9903.01.20) is not required on the entry summary.

Note: The validation for this would be the AE41 Record on the entry summary which declares the HTS Line as Privileged Foreign (PF) status merchandise and with a PF Date of Feb 3rd or before.

**If the PF Status date is Feb 4th or later**, the additional 10% Trade Remedy applies and the submission of the additional Chap 99 number (9903.01.20) is required on the entry summary.

As provided in our February 3 “What’s New” [update](#), the China IEEPA [Proclamation](#) and CBP [CSMS message](#) are silent on the treatment of Privileged Foreign (PF) status, so there were two options for FTZ On-Hand Inventory to address the lack of clear guidance: (1) file Customs entry on China goods to eliminate uncertainty, or (2) file e214 Status Designation to change China goods from Non-Privileged Foreign (NPF) to Privileged Foreign (PF) status by February 3. It is noted that if the China IEEPA tariff rates are increased from 10% to 20% by President Trump, such action might explicitly treat PF status on-hand inventory differently.

With the new CBP Headquarters China IEEPA guidance, FTZs are encouraged to review their Type 06 Customs entries with entry dates on or after February 4 to identify if China IEEPA tariffs have been paid on China or Hong Kong goods with Privileged Foreign (PF) dates prior to February 4, 2025. If China IEEPA tariffs have been paid on such PF goods, consideration should be given to filing Post-Summary Corrections (PSCs) for refunds. Importer and FTZ clients should also validate that Entry Summaries of China and Hong Kong goods are correctly reporting HTSUS subheading 9903.01.20 and calculating the additional China IEEPA 10% tariffs, as CBP Headquarters has warned of non-compliance and enforcement actions including entry rejections. [See CSMS #64235342](#) (Feb. 25, 2025). We understand that some ABI software packages have not been correctly calculating and reporting the China IEEPA 10% tariffs.

Please contact [Marshall Miller](#), [Brian Murphy](#), [Sean Murray](#), [David Ostheimer](#) or [Linda King](#) with questions about these actions, the potential impact, and/or ways to minimize potential liability including increasing FTZ usage.

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