



Liberation Day - Preparing for Potential April 2 Tariff Increases (March 28, 2025)

The tariff increases expected to be announced on April 2 are unprecedented and require careful review of all imports and FTZ activity, as well as decisions to be made in advance that can mitigate or avoid the impact of the additional tariffs:

- **Expedite Shipments to the U.S.: File Customs entry before the tariff increases**
 - File Customs entry at “wheels up” for air freight and 5 days prior to ocean arrival, electing the entry date at arrival at first port of entry
- **Reconfirm HTSUS classifications**
 - Review all tariff classifications subject to trade remedies
 - Consider steel and aluminum downstream derivatives
- **Carefully consider use of HTSUS Chapter 98 & Chapter 99 classifications**
 - Trade remedy relief is available for some HTSUS Chapter 98 provisions
 - Review HTS 9801/9802 U.S. components or packaging
 - Can the value of steel or aluminum content be broken out to reduce Section 232 steel and aluminum duties on “new” derivative products and after products classified outside HTS chapters 73 and 76?
 - Can the value of U.S. content be broken out to reduce Section 232 duties on USMCA-qualified automobiles and automobile parts?
- **Tariff Engineering**
 - Can your product be re-engineered so it is classified in a different HTSUS classification?
 - Can your product be shipped differently (e.g., separate shipments, incomplete, etc.) so that it warrants a different HTSUS classification?
- **Reduce Customs Value**
 - Negotiate arm’s length price reductions with foreign suppliers
 - Are there U.S. engineering and design costs that can be excluded from value?
 - Carefully consider the possibility of Nissho Iwai “first sale” valuation in multi-tiered transactions
 - Carefully consider the deduction of non-dutiable charges (NDC)?
- **Reconfirm Country of Origin determinations**
- **Consider application of USMCA preferential treatment which currently provides relief from Mexico/Canada IEEPA and Section 232 automobile tariffs**
- **FTZ Options**
 - Route incoming shipments to FTZs
 - FTZ Weekly Entry/Individual Entry Strategy on affected FTZ on-hand inventory
 - Consider whether FTZ production results in a “substantial transformation” to declare “U.S.” origin
 - Ensure exports are direct or in-bond to avoid Customs duty liability
 - Use Zone-to-Zone Transfers, remembering second FTZ admission requires PF status for trade remedy goods
 - Remember FTZ PF zone status merchandise cannot be transferred to bonded warehouses for export
 - FTZ Scrap/Waste-Recycle
 - Consider using Scrap/Waste HTS provisions for FTZ production
 - Export scrap and waste
- **CBP Compliance**

- Proclamations include some draconian CBP penalty language for non-compliance

Contact [Marshall Miller](#), [Brian Murphy](#), [Sean Murray](#), or [David Ostheimer](#) with questions.

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