



SECTION 232 25% ADDITIONAL DUTIES ON AUTOMOBILES AND AUTOMOBILE PARTS (March 27, 2025)

On March 26, 2025, President Trump issued a [Proclamation](#) announcing the imposition of 25% additional duties under Section 232 scheduled to take effect for imported automobiles beginning April 3, 2025. The 25% additional duties are also scheduled to go into effect for certain automobile parts no later than May 3, 2025. The effective date for automobile parts will be specified in a future [Federal Register](#) notice.

The Proclamation references an Annex that specifies the covered automobiles and automobile parts, but the Annex has not yet been published. In the meantime, the Proclamation describes the covered automobiles as: (1) passenger vehicles (sedans, sport utility vehicles, crossover utility vehicles, minivans, and cargo vans); and (2) light trucks. The Proclamation describes automobile parts as “engines and engine parts, transmissions and powertrain parts, and electrical components.”

For automobiles that qualify for USMCA, the Section 232 25% additional duties will only apply to the “non-U.S. content” of the automobile, which will be determined by subtracting the value of the “U.S. content” from the total value. U.S. content is to be calculated from the value of parts wholly obtained, entirely produced, or substantially transformed in the United States. If U.S. Customs and Border Protection (CBP) determines that an importer has overstated the U.S. content of a vehicle, then CBP is to apply the duties retroactively to the entire value, regardless of USMCA status.

For automobile parts that qualify for USMCA, the Section 232 25% additional duties shall not apply until the Secretary of Commerce, in consultation with CBP, determines that a system for properly applying the duties to non-U.S. content exists and a notice is published in the [Federal Register](#). However, by the terms of the Proclamation, the additional duties on automobile parts must go into effect no later than May 3, 2025.

Within 90 days of the Proclamation, the Secretary of Commerce shall establish a process whereby domestic producers and industry associations can request additions to the list of covered automobiles and automobile parts.

Any covered automobile or automobile part admitted into a U.S. foreign trade zone (FTZ) on or after the effective date of the Proclamation must be admitted in Privileged Foreign (PF) zone status. Duty drawback is not allowed.

As noted in prior “What’s New” [updates](#), FTZ clients with on-hand inventory of affected automobiles or automobile parts should consider filing Customs entry prior to the imposition of the Section 232 additional duties.

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

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