



RECIPROCAL TARIFFS DELAY

On July 7, President Trump issued an Executive Order that extended the interim 10% rate for the Reciprocal Tariffs for all countries except China to August. U.S. Customs and Border Protection (CBP) has issued a CSMS message confirming continued use of HTSUS subheading 9903.01.25 to declare the 10% Reciprocal Tariff rate until August 1. More details are provided in our July 8 [What's New](#) update. CSMS #[65573545](#) (July 8, 2025).

COUNTRY DEALS & LETTERS

- Since the extension of the 10% Reciprocal Tariffs rate to August 1, President Trump has been sending [letters](#) to the leaders of numerous countries, informing them of the higher, country-specific Reciprocal Tariff rate that will apply on August 1 unless they have negotiated a trade deal with the U.S. President Trump's letters state that these tariffs are separate from all Sectoral tariffs, which presumably refers to the various Section 232 additional tariffs.
- The extension to August 1 and the President's letters will presumably trigger a flurry of activity over the next two weeks as countries try to negotiate lower rates or extensions.
- No formal Executive Orders, Presidential Proclamations, [Federal Register](#) notices, or CSMS messages have been issued, so details are mostly limited to the terms of the letters. Contact [Marshall Miller](#), [Brian Murphy](#), or [Sean Murray](#) with questions.

CANADA AND MEXICO TRADE

President Trump's letters to the leaders of Canada and Mexico designate a 35% tariff on Canadian products imported into the U.S. and a 30% tariff on Mexican products. The letters do not specify whether the treatment of products eligible for preferential treatment under the U.S.-Mexico-Canada Agreement (USMCA) will change.

JAPAN AND KOREA TRADE

President Trump's letters to the leaders of Japan and South Korea designate a 25% tariff on products of both countries when imported into the U.S.

INDONESIA TRADE DEAL

After President Trump sent a letter on July 7 designating a 32% tariff on

2025 FIRM SEMINARS

We will be offering the following Fall training seminars in-person at our Kansas City office:

FTZ 101 – October 14
FTZ 201 – October 15

Import/Export 101 – November 5
Import/Export 201 – November 6

These seminars will include sessions on the additional tariffs. More detailed information is posted on our [website](#). Please contact [Shari Rees](#) with questions. Seminars are offered to Miller & Company clients only.

CBP FTZ ANNUAL REVIEWS

FTZ Operators are reminded that, if they have not already occurred, CBP Annual Foreign-Trade Zone (FTZ) Compliance Reviews are quickly approaching. FTZ Operators are reminded to confirm that all their core documents are readily available for CBP review. Documentation should be prepared and evaluated before it is presented to CBP for review.

FTZ AES MESSAGE UPDATE

The Automated Export System (AES) response message for a non-compliant FTZ Indicator, which is a 9-digit alphanumeric identifier, has been upgraded to a "Fatal Error" as of July 14. CSMS #[65520566](#) (July 2, 2025).

RUSSIA TARIFFS

On July 14, President Trump announced that tariffs of 100% will be imposed on Russia and secondary sanctions will be imposed on other countries buying Russian oil if Russia does not reach a peace deal with Ukraine in 50 days.

PHARMA ORIGIN

- CBP has issued a ruling that refused to reconsider its prior ruling HQ [H283420](#) (June 14, 2024), which determined that the ultimate purchaser of prescription drugs is the retail pharmacy customer and imposes a marking requirement on the pharmacy and a repackaging notice requirement on the importer of bulk pharmaceuticals. Importers and distributors of prescription drugs and medical products should carefully consider the ruling's implications. HQ [H283420](#) (July 3, 2025). Contact [Sean Murray](#) with questions.

NEW CBP COMMISSIONER

On June 18, the Senate [confirmed](#) Rodney Scott to be the new Commissioner of U.S. Customs and Border Protection (CBP). Mr. Scott served as Chief of the U.S. Border Patrol during the first Trump administration and for part of the Biden administration. He was a career Border Patrol official before becoming its Chief.

232 COPPER

On July 8, President Trump announced that additional tariffs of 50% will be applied to copper imports beginning August 1.

232 AUTO PARTS

On June 24, the Commerce Department announced new procedures for subjecting additional automobile parts to the 25% Section 232 auto part tariffs. The first 2-week tariff inclusion process was to run from July 1 to July 15, after which a 14-day public comment period will be opened. Commerce indicated in an email that new submission dates will be published in a future [Federal Register](#) notice. See our June 26 [What's New](#) client update for more information.

232 STEEL/ALUMINUM

On July 10, CBP [issued](#) updates to its Section 232 steel and aluminum Frequently Asked Questions. The FAQs include answers on a variety of topics, such as the method to report steel melt and pour and aluminum smelt and cast countries for flagged HTS classifications where the import contains no steel or aluminum. It is noted that the FAQs include some outdated answers.

NEW 232 INVESTIGATIONS

The Commerce Department has initiated two new Section 232 investigations into imports of [polysilicon](#) and its derivatives, as well as [unmanned aircraft systems](#) and their components. Interested parties are encouraged to submit comments by August 6.

TARIFF LAW ENFORCEMENT

Bloomberg has reported that the Department of Justice (DOJ) has assigned its Market Integrity and Major Frauds (MIMF) unit to investigate and prosecute tariff evasion. The DOJ has also revised its voluntary disclosure [guidelines](#) and factors for declining to criminally prosecute a self-disclosing

Indonesian imports, announced on July 15 that a trade deal had been reached whereby Indonesian imports will be subject to a 19% tariff while U.S. exports will have duty free and non-tariff barrier free access to the Indonesian market, as well as Indonesian commitments to purchase U.S. agricultural products, energy, and commercial jets.

BRAZIL TRADE

President Trump's letter to Brazil's president designates a 50% tariff on products of Brazil. In contrast to the letters to other countries, President Trump's letter to Brazil references Brazil's ongoing prosecution of its former president, as well as Brazilian court orders impacting U.S. social media companies. The U.S. currently runs a trade surplus with Brazil. These factors could lead to challenges to the alleged national security basis for the 50% tariff.

EU TRADE

President Trump's letter to the President of the European Commission designates a 30% tariff on EU products and demands "complete, open" EU market access for the United States.

US-UK TRADE DEAL

President Trump has issued Executive Order [14309](#) (June 16, 2025) to implement the US-UK Economic Prosperity Deal. It [establishes](#) a tariff rate quota of 100,000 passenger vehicles (limited to 65,205 for the remainder of 2025) at 7.5% Section 232 Automotive Tariffs plus the 2.5% Normal Trade Relations (NTR) duty. Automobiles outside of the quota will be subject to a 25% Section 232 duty. Articles falling under the WTO Agreement on Trade in Civil Aircraft are not subject to IEEPA Reciprocal Tariffs and the 232 Steel and Aluminum Tariffs. The Commerce Secretary is to establish a tariff-rate quota system for steel and aluminum articles. CBP has issued guidance on auto and aircraft imports, including lists of affected HTSUS classifications. CSMS [#65475228](#) (June 27, 2025); CSMS [#65475725](#) (June 27, 2025).

VIETNAM TRADE DEAL

On July 2, the President [announced](#) a trade deal with Vietnam that includes 20% duties on Vietnamese products entering the U.S. and 40% duties on transshipped products. Vietnam will allow duty-free entry for all U.S. products. However, Vietnamese officials later [announced](#) they had not agreed to a 20% rate and thought the rate would be closer to 11%. No official documents on the deal have yet been issued.

CONGRESS & TRADE DEALS

Senator Ron Wyden (D-OR), the ranking member of Senate Finance Committee, sent a [letter](#) to the U.S. Trade Representative (USTR) on July 2 emphasizing that Congress must approve trade deals. President Trump has said that he will not send bilateral trade agreements on the additional tariffs to Congress for

•CBP has issued a Final Determination that the origin of pirfenidone tablets is Italy, the origin of their active pharmaceutical ingredient (API), and not India, the country where the API was processed into tablets, for purposes of the government procurement provisions in the Trade Agreements Act (TAA). Italy is a TAA-designated country, while India is not. 90 Fed. Reg. [30947](#) (July 11, 2025).

NEW ACE IN-BOND REPORT

A new Automated Commercial Environment (ACE) report has been added for brokers and carriers to better manage in-bond movement statuses. CSMS [#65452202](#) (June 25, 2025).

HTS/SCEUDLE B UPDATES

The 484(f) Committee has issued revisions to the Harmonized Tariff Schedule (HTS) and Schedule B, effective July 1. These revisions affect 32 HTS records and 131 ABI records and incorporate the U.S.-UK Economic Prosperity Agreement, which entered into force on June 30. CSMS [#65505322](#) (July 1, 2025).

IRAN SANCTIONS

On July 9, OFAC [added](#) 22 Hong Kong, UAE, and Turkish entities to the Specially Designated Nationals (SDN) List for facilitating the sale of Iranian oil to the benefit of Iran's Islamic Revolutionary Guards-Qods Force. 90 Fed. Reg. [31571](#) (July 14, 2025).

NEW ACE ERROR CODE

CBP has released an updated draft of the ACE CATAIR Error Dictionary, introducing a new error code, 852: HTS OUT OF SEQUENCE, which enforces specific sequencing rules for HTS numbers on an entry line. The required order depends on whether Chapter 98 HTS numbers are included, with the defined sequence of Chapters 98, 99 and 1-97. These changes went live in the ACE Certification environment as of June 14 for software testing. CSMS [#65385089](#) (June 18, 2025).

HTSUS LINES INCREASE

• As of June 28, CBP allows up to 32 Harmonized Tariff Schedule (HTS) classifications per Entry Summary line in ACE, a substantial increase from the prior line limit of 8.

This change applies to all Entry Summary types, including Reconciliation and Drawback. CSMS [#65449698](#) (June 25, 2025).

•CBP has updated the ACE Reconciliation Create/Update and Reconciliation Error Dictionary CATAIRs to support the increased HTS code limit per entry summary line. CSMS [#65519576](#) (July 2, 2025).

PROSCRIBED COUNTRIES

The Directorate of Defense Trade Controls (DDTC) has issued a Final Rule updating the proscribed country list in the International Traffic in Arms Regulations (ITAR) of countries that are subject to an arms embargo. Updates were made to the Central African Republic, the

company for criminal conduct.

CBP COAC CHANGES

CBP is restructuring the Commercial Customs Operations Advisory Committee ([COAC](#)) to align with the Trump Administration's "America First Trade Policy." CBP emphasized a renewed focus on national security, protecting domestic industry, and closing enforcement gaps. Final recommendations from current COAC subcommittees are due in September, after which COAC may be reconstructed with a stronger emphasis on domestic manufacturing interests. CBP is expected to announce updates and possibly seek new members in the coming months.

IEEPA LITIGATION

The U.S. Supreme Court has [denied](#) a motion to expedite consideration of a petition for writ of certiorari before judgment in the [Learning Resources Inc. v. Trump](#) action, which is pending before the U.S. Court of Appeals for the District of Columbia Circuit following the D.C. District Court's decision that President Trump lacks authority to impose tariffs under IEEPA. This action is separate from the similar [V.O.S. Selections v. Trump](#) appeal pending before the Court of Appeals for the Federal Circuit (CAFC) of the U.S. Court of International Trade's (CIT's) decision denying Presidential authority to impose IEEPA tariffs.

BIS ENFORCEMENT CASES

• On July 2, the Bureau of Industry and Security (BIS) [announced](#) a settlement agreement with Alpha and Omega Semiconductor (A&O) of Sunnyvale, California. A&O was accused of shipping power controllers and smart power stages to Huawei. Huawei is listed on BIS's Entity List. Under terms of the settlement, A&O has agreed to a \$4,250,000 penalty.

• On June 23, BIS [announced](#) a settlement agreement with Unicat Catalyst Technologies of Alvin, Texas. Unicat allegedly arranged for the sale of approximately \$400,000 of catalysts with knowledge they were ultimately for Iran. Unicat agreed to pay the amount of the sale as a penalty. In addition, Unicat will lose its export privileges for three years, although that portion of the penalty has been suspended provided Unicat does not violate U.S. export laws and regulations during the three-year suspension period.

OFAC ICC SANCTIONS

The Office of Foreign Assets Control (OFAC) has issued a Final Rule to implement the International Criminal Court (ICC) Related Sanctions Regulations. The regulations are based on President Trump's February 6 Executive Order [14203](#) that sanctioned the ICC's chief prosecutor for targeting Israel and potentially the U.S. for ICC prosecution. 90 Fed. Reg. [28012](#) (July 1, 2025).

USMCA AUTO REPORT

approval.

DE MINIMIS UPDATE

- On August 12, CBP will deploy an updated ACE module for de minimis shipments that will prevent importers who have exceeded the \$800 per day threshold from making additional de minimis entries. CSMS #65406053 (June 23, 2025).
- Effective immediately, all FDA-regulated products must be submitted for FDA review. CSMS #65581188 (July 9, 2025).
- On July 2, the CIT [agreed](#) to fast track the part of a suit challenging the President's termination of duty-free entry for low-value Chinese packages. Oral arguments were heard on July 11.
- Section 70531 of the "Big Beautiful Bill Act" signed by President Trump on July 4 eliminates the Section 321 de minimis exemption on July 1, 2027.

AEROSPACE TARIFFS

24 Republican lawmakers have sent a [letter](#) urging the USTR to push for bilateral trade agreements that lower trade barriers for aerospace products.

Democratic Republic of the Congo, Haiti, Libya, Somalia, Sudan, and South Sudan. 90 [Fed. Reg.](#) [29720](#) (July 7, 2025).

GPS RECEIVER ORIGIN

CBP issued a [final determination](#) that the country of origin for Trimble R980 GNSS GPS receivers for government procurement purposes is the U.S. The receiver was comprised of seven primary components that underwent final assembly in Thailand. Four of these components, including the main board assembly, were manufactured in the U.S. CBP held that the main board imparted the essential character to the finished product and the Thailand processing was not a substantial transformation. 90 [Fed. Reg.](#) [26598](#) (June 23, 2025).

SUDAN CHEMICAL WEAPONS

On June 27, the State Department announced sanctions on Sudan because it determined that Sudan has been using chemical weapons in violation of international law. Sanctions include the termination of foreign assistance, imposition of an arms embargo, the denial of U.S. Government credit financing, and no licenses for National Security-controlled exports. 90 [Fed. Reg.](#) [27750](#) (June 27, 2025).

SYRIA SANCTIONS

On June 30, President Trump issued Executive Order (EO) 14312 that effectively ended U.S. sanctions on Syria as of July 1. OFAC will be [removing](#) the Syrian Sanctions Regulations. Although the sanctions on Syria have been lifted, a large number of entities and individuals remain blocked, so any trade with Syria still requires great care. Contact [Sean Murray](#) or [Chuck Ballard](#) with questions. 90 [Fed. Reg.](#) [29395](#) (July 3, 2025).

The U.S. International Trade Commission has [issued](#) a new report on the USMCA automotive rules of origin (ROOs). Findings include increased production and employment for U.S. parts producers, little change in market share for U.S.-produced vehicles, fewer vehicle imports from Canada and Mexico, more imports from non-USMCA countries, and a slight increase in U.S. vehicle prices. The report, released ahead of the USMCA's six-year review, also identifies technological changes that have impacted the tariff treatment of similar goods under the USMCA automotive ROOs.

FORCED LABOR PORTAL

CBP has rolled out a new Forced Labor Allegation [Portal](#) designed to allow importers to report forced labor allegations. Training is being offered on July 22. CSMS #65408039 (June 20, 2025); CSMS #65470570 (June 27, 2025).

FTZ STATISTICS	
FOREIGN-TRADE ZONES BOARD	
ACTIVITY AS OF 7/15/2025	
	Approved
Zones	310
Subzones*	907
	Pending
Zones	3
Subzones	6

*From [Fed. Reg.](#) Notices

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