



RECIPROCAL TARIFFS

• In Executive Order (EO) 14326 of July 31, President Trump announced new, mostly higher, country-specific International Emergency Economic Powers Act (IEEPA) Reciprocal Tariff rates that went into effect on August 7. The new rates range from 10% to 40%, with most countries having a 15% rate. The EO provides an in-transit exemption for shipments that are on their final mode of transport to the U.S. before August 7 and entered or withdrawn for consumption before October 5. 90 Fed. Reg. [37963](#) (Aug. 6, 2025); CSMS #[65829726](#) (Aug. 4, 2025).

• The EO includes an anti-transshipment provision that imposes an additional 40% duties on goods transshipped to evade the duties.

• On August 11, President Trump issued an EO that extended the 10% Reciprocal Tariff rate on products of China for 90 days to November 10, [explaining](#) it as necessary to facilitate ongoing trade negotiations with China. 90 Fed. Reg. [39305](#) (Aug. 14, 2025); CSMS #[65894387](#) (Aug. 11, 2025).

• Although the U.S. announced deals with many countries, the actual terms of the agreements have not been published. Some countries have disagreed with interpretations of their trade deals provided by the U.S. Trump Administration officials have said that agreements are still being negotiated. Clients should be careful of relying on an agreement until its actual terms have been released.

• See the following *Briefings* articles and our August 1 [What's New](#) for more country-specific details.

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

BRAZIL TARIFFS

• On July 30, President Trump issued Executive Order (EO) 14323 imposing 40% tariffs pursuant to IEEPA on products of Brazil beginning August 6. These IEEPA Brazil Tariffs are in addition to the IEEPA Reciprocal Tariffs on products of Brazil. Brazil products subject to Section 232 duties including steel, aluminum, copper, and autos are not assessed the IEEPA Brazil Tariffs. An annex provides a list of 694 exempted HTSUS classifications, which include orange juice, silicon metal, oils, fuels, fertilizers, civil aircraft, and

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.

FTZ INVENTORY SYSTEMS

FTZ Operators are seeing increased challenges with FTZ Inventory Control and Recordkeeping System (ICRS) software, particularly in processing new trade remedy tariff classifications and FIFO, resulting in late filings of FTZ Admissions, Customs Entries, and In-Bond Entries. Liquidated damages are being assessed for “no files” and late filings and should be contested. FTZ Operators must remain diligent in ensuring that CBP filings are timely and accurate. Contact [Marshall Miller](#) with questions.

FTZ PRODUCTION OPS

• Production Authority application processing has slowed significantly at the FTZ Board. The FTZ Board is requesting more information on country of origin and value by percentage of FTZ admissions, the percentage of foreign material in FTZ finished products, the value added in FTZ production, and countries of export.

• With increases in FTZ activity for tariff mitigation, FTZ manufacturers should be reviewing their FTZ Board-approved Scope of Authority to ensure FTZ production operations are within their Scope of Authority.

• Contact [Marshall Miller](#), [Linda King](#), or [Amanda Ward](#) with questions.

DE MINIMIS SUSPENDED

President Trump [issued](#) an Executive Order on July 30 that suspends the \$800 de minimis exemption for shipments from all countries beginning August 29. Postal shipments and other items will be subject to a duty structure based on the IEEPA Reciprocal Tariff rate applicable to the item's

AI CHIP EXPORT TAX?

Numerous news sources have reported that the Trump Administration is working on the details of an agreement that would allow Nvidia and Advanced Micro Devices (AMD) to export certain artificial intelligence (AI) chips to China in return for the U.S. government receiving 15% of the revenues. No final agreement has been released. All exporters should carefully monitor these developments for the potential precedent. If implemented, this would be the first time such an arrangement has been negotiated between U.S. exporters and the U.S. government. Export taxes and duties are prohibited by the U.S. Constitution, and long-time practitioners should recall the 1998 *U.S. v. U.S. Shoe Corp.* Supreme Court decision that struck down the Harbor Maintenance Fee (HMF) on exports as an unconstitutional tax on exports. Contact [Sean Murray](#) with questions.

CENSUS AES REG CHANGES

The Census Bureau has issued a Final Rule that it describes as clarifying Automated Export System (AES) filing requirements for in-transit shipments and other provisions, but makes edits and refinements throughout the Foreign Trade Regulations. Revisions address the identification of the U.S. Principal Party in Interest (USPPI) in scenarios where goods are imported before being exported, including FTZ admissions. The definitions of parties to export transactions, including the Foreign Principal Party in Interest (FPPI), have been revised. The Final Rule goes into effect on September 15. Census has [issued](#) a Broadcast Message with additional explanation. Contact [Sean Murray](#) or [Chuck Ballard](#) with questions. 90 Fed. Reg. [39112](#) (Aug. 14, 2025).

SECTION 232 COPPER

President Trump has issued a Proclamation imposing, effective August 1, 50% Section 232 duties on 80 HTSUS classifications covering copper bars, rods, wire, sheets, foil, pipes, pipe fittings, screws, washers, table, kitchen and sanitary ware, insulated wire, cable, and other articles. The 50% Section 232 tariffs only apply to the copper content of the articles, with the non-copper content subject to IEEPA Reciprocal

origin. 90 Fed. Reg. [37775](#) (Aug. 5, 2025).

On July 31, an 11-judge panel of the U.S. Court of Appeals for the Federal Circuit heard oral arguments on the U.S. Government's appeal of the U.S. Court of International Trade's (CIT's) May 28 decision that the Reciprocal Tariffs and Fentanyl Tariffs exceed the President's authority under IEEPA.

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EU TRADE DEAL

On July 28, the U.S. and European Union (EU) announced an agreement on a deal imposing a 15% Reciprocal Tariff rate on EU goods. The White House has posted a [Fact Sheet](#) on the deal, but the text has not yet been released. The 50% Section 232 duties on steel, aluminum, and copper remain in effect. The Fact Sheet states the EU will invest \$600 billion in the U.S., purchase \$750 billion of U.S. energy exports through 2028, and reduce tariffs on certain U.S. products and non-tariff barriers for U.S. exports. The EU will suspend its tariff countermeasures against the U.S. for six months. Post-announcement, there have been questions about the application of the 15% rate to semiconductors, pharmaceuticals, and auto parts.

JAPAN TRADE DEAL

On July 23, the U.S. and Japan [agreed](#) to a deal imposing a 15% Reciprocal Tariff rate on Japanese products. Japanese officials have contested certain U.S. representations of the deal, and no final text has been issued. There are reports that the 15% Japan Reciprocal Tariff rate, which currently "stacks" with MFN/NTR rates, will be replaced with a 15% maximum tariff structure modeled on the EU trade deal.

CANADA & MEXICO TRADE

Citing Canada's failure to address the flow of drugs and criminals across the U.S. border and its retaliation against earlier U.S. trade remedy measures, President Trump has issued Executive Order (EO) 14325, which increases the IEEPA Canada Fentanyl Tariff rate from 25% to 35%. The increase went into effect August 1 for non-USMCA qualified Canadian goods entered or withdrawn for consumption. The EO includes an anti-transshipment provision that imposes an additional 40% duties on non-USMCA qualified goods transshipped to evade the additional tariffs. The EO instructs CBP to impose 19 U.S.C. § 1592 penalties without mitigation for

IEEPA LITIGATION

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FALSE PLYWOOD ORIGIN

The CIT has upheld a CBP determination in an Enforce and Protect Act (EAPA) investigation into the origin of plywood. CBP initiated the EAPA investigation and originally found evasion and commingling of Chinese origin plywood with Cambodian origin plywood, but the Federal Circuit remanded for further consideration because CBP had refused to allow the importers to address information on which CBP relied. On remand, CBP again found the goods were mislabeled. [American Pacific Plywood, Inc. v. U.S.](#), CIT Slip Op. [25-87](#) (July 9, 2025).

EXTRUDED ALUMINUM AD/CVD

Grosfillex Inc., a Pennsylvania patio furniture company, has [agreed](#) to pay \$4.9 million to resolve allegations it violated the False Claims Act and Customs laws by evading AD/CVD on extruded aluminum imports from China. The Department of Justice (DOJ) alleged that the imported aluminum furniture parts were falsely described as components of finished furniture "kits." The DOJ also alleged Grosfillex knowingly failed to correct false Customs declarations after knowing the imported items were subject to AD/CVD.

TOILET PAPER ORIGIN

CBP has ruled that bulk rolls of toilet tissue stock manufactured in Vietnam that are unwound, embossed, rewound, cut to size, and packaged in China do not undergo a substantial transformation in China. As a result, the origin of the finished toilet paper rolls is Vietnam. NY [N349536](#) (June 3, 2025).

CUBA POLICY

On June 30, President Trump [issued](#) National Security Presidential Memorandum NPSM-5 to modify U.S. policy towards Cuba. NPSM-5 restricts U.S. tourism to "legitimate educational purposes," and all travel must be under an organization subject to U.S. jurisdiction. The Treasury Secretary shall audit travel to Cuba to ensure travelers are complying with relevant statutes and regulations. NPSM-5 also expands the scope of prohibited officials of the Cuban Government. 90 Fed. Reg. [38913](#) (Aug. 12, 2025).

FALSE CLAIMS ORIGIN CASE

On July 27, the Department of Justice (DOJ) [entered](#) into a settlement agreement with two related plastic resin importers – Global Plastics, LLC and Marco Polo

Tariffs. Duty drawback is not available. Commerce will establish a process for petitions to include additional derivative copper articles. See our July 31 [What's New](#). 90 Fed. Reg. [37727](#) (Aug. 5, 2025); CSMS [#65794272](#) (July 31, 2025).

232 TARIFF INCLUSIONS

On August 15, BIS posted a [Notice](#) scheduled to be published in the August 19 [Federal Register](#) adding 407 HTSUS classifications to the list of products subject to the Section 232 duties on steel and aluminum derivative products. These 407 HTSUS classifications are subject to the Section 232 duties effective August 18. CSMS [#65936570](#) (Aug. 15, 2025); CSMS [#65936615](#) (Aug. 15, 2025). The Department of Commerce is requesting comments on information collected for Section 232 steel and aluminum tariff inclusion requests. Comments are due by September 30. The tariff inclusion process is expedited, leaving respondents little time to respond, so clients are encouraged to comment. Contact [Brian Murphy](#) with questions. 90 Fed. Reg. [36131](#) (Aug. 1, 2025).

232 STEEL/ALUMINUM

CBP has ruled that an article classified in a tariff provision identified in a Section 232 aluminum derivative HTSUS classification that does not contain any aluminum does not need to declare the aluminum derivative HTSUS classification. Contact [Brian Murphy](#) with questions. HQ [H348177](#) (May 16, 2025).

232 AUTO USMCA GUIDANCE

CBP has issued guidance on applying the Section 232 auto duties to USMCA-qualified passenger vehicles and light trucks. For USMCA-qualified vehicles, a 25% duty is owed on the non-U.S. origin content. The guidance includes detailed instructions on how to report vehicle entries. CSMS [#65649652](#) (July 16, 2025).

PHARMA TRADE

In April 5 comments, President Trump said that he plans to announce tariffs on pharma imports that start small, but rise to 150% after one year and then to 250%. The announcement should be part of the results of the current Section 232 investigation into pharma imports. A White House official stated that EU-origin pharmaceuticals would be subject to a 15% tariff as the result of the EU-US trade deal. President Trump has sent letters to 17 pharmaceutical companies demanding that they reduce drug prices to prices they charge in other countries. On August 13, President Trump issued an [Executive Order](#) (EO) on pharmaceutical supply chain resilience. The EO describes a process for filling the Strategic Active Pharmaceutical Ingredients Reserve (SAPIR) with APIs for the most critical medicines, with a preference

transshipment violations, and directs the Commerce Department to publish every six months a list of countries and facilities used in circumvention schemes. See our August 1 [What's New](#). 90 Fed. Reg. [37957](#) (Aug. 6, 2025).

On July 31, President Trump [stated](#) that the U.S. would extend the existing Reciprocal Tariffs and other trade remedy duties on Mexico for 90 days to provide more time for negotiations.

INDIA IEEPA TARIFFS

In response to India's ongoing importation of Russian oil in violation of U.S. and other Western sanctions, President Trump [issued](#) an Executive Order (EO) 14329 on August 6 imposing 25% IEEPA tariffs on products of Indian origin, effective August 27. These tariffs are based on [EO 14066](#), which authorized sanctions related to Russia's invasion of Ukraine. These tariffs are in addition to the Reciprocal Tariffs, but do not apply to the Annex II list of HTSUS classifications exempt from the Reciprocal Tariffs and to goods subject to Section 232 duties. They also do not apply to goods that are loaded onto a vessel and in transit on the final mode of transit to the U.S. by August 27 and are entered or withdrawn from warehouse before September 17. The Commerce Secretary is to monitor other countries importing Russian oil to determine if similar 25% duties should be applied. 90 Fed. Reg. [38701](#) (Aug. 11, 2025).

Int'l, LLC – who agreed to pay \$6.9 million for misrepresenting the origin and manufacturer on Customs entries to avoid Section 301 duties, failing to origin mark, and undervaluing the imported merchandise. The importer had filed voluntary disclosures with CBP and the U.S. Attorney's Office. Contact [Brian Murphy](#) or [Sean Murray](#) with questions.

232 CBPF 7501 CHANGE

Entry Summary [CBPF 7501](#) Blocks 21, 22, 23, and 24 have been updated to declare the Country of Melt and Pour, Primary Country of Smelt, Secondary Country of Smelt, and Country of Cast for Section 232 steel and aluminum imports.

RUSSIA SANCTIONS

The Bureau of Industry and Security (BIS) has [approved](#) an administrative enforcement settlement with Andritz, Inc. of Muncy, Pennsylvania for multiple violations of the Export Administration Regulations involving 36 reexports to Russia. Andritz was accused of exporting refiner plates to its German subsidiary who reexported them to Russia. Although the plates are classified as EAR99, their export to Russia is prohibited without an export license. Andritz voluntarily disclosed the violations, and has agreed to remit \$1,577,397 to BIS.

ENTITY LIST PENALTY

BIS has [announced](#) a settlement with Cadence Design Systems whereby Cadence agreed to pay a \$95 million penalty and \$45 million in forfeitures. Cadence was accused of providing semiconductor design software and related hardware to a Chinese entity on the BIS Entity List that is known to supply the Chinese military.

FY 2026 MPF INCREASE

Effective October 1, the annual inflation adjustment will increase the Merchandise Processing Fee (MPF) minimum from \$32.71 to \$33.58, and the maximum MPF from \$634.62 to \$651.50. 90 Fed. Reg. [34665](#) (July 23, 2025); CSMS [#65741993](#) (July 25, 2025).

BROKER EXAM

CBP has opened [registration](#) for the October 22 Customs Broker License Exam. CSMS [#65740065](#) (July 28, 2025).

for obtaining the API from domestic manufacturers.

• Contact [Sean Murray](#) with questions.

SEMICONDUCTOR TARIFFS

In early August, President Trump stated that he intends to impose 100% duties on imported chips and semiconductors. He did not specify the covered products or when the tariffs would be implemented, but the scope may be inferred from the Commerce Department's Section 232 [investigation](#) into semiconductor manufacturing equipment (SME), semiconductors, and their derivative products, including substrates, bare wafers, legacy chips, leading-edge chips, microelectronics, and equipment components.

IRANIAN NETWORK

On July 30, the Office of Foreign Assets Control (OFAC) [announced](#) that it was sanctioning Mohammad Hossein Shamkhani and his network of tankers and other infrastructure that have been transporting sanctioned Iranian and Russian oil. OFAC has added more than 60 individuals and entities and over 50 vessels to the Specially Designated Nationals (SDN) List. 90 Fed. Reg. [38890](#) (Aug. 12, 2025).

FTZ STATISTICS FOREIGN-TRADE ZONES BOARD ACTIVITY AS 8/15/2025

Approved	
Zones	310
Subzones*	909
Pending	
Zones	3
Subzones	5

*From Fed. Reg. Notices



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