



Implementation of U.S.-EU Agreement (September 25, 2025)

On September 24, the Department of Commerce and U.S Trade Representative (USTR) posted a Notice implementing certain tariff-related aspects of the U.S.-EU Framework Agreement (Agreement). The [Notice](#) was published in today's [Federal Register](#). U.S. Customs and Border Protection (CBP) also issued CSMS #[66336270](#) on September 24 to provide additional guidance.

As noted in our September 15 [Briefings](#) newsletter, the Agreement provides a "15% baseline tariff" consisting of the Normal Trade Relations (NTR) and the Reciprocal Tariffs, as well as duty reductions for certain EU-origin automobiles and auto parts, civil aircraft and civil aircraft parts, unavailable natural resources, and generic pharmaceuticals and their ingredients and chemical precursors. The new tariff treatment of automobiles and auto parts of retroactive to August 1 and the new tariff treatment of civil aircraft and aircraft parts, unavailable natural resources, and generic pharmaceuticals and their ingredients and precursors is retroactive to September 1.

Tariff Changes on EU-Origin Automobiles and Auto Parts

The Section 232 duties on passenger vehicles, light trucks, and auto parts that are products of EU countries are calculated so that the Normal Trade Relations (NTR) Column 1 rate and Section 232 duties add up to a 15% rate, but if the NTR rate is 15% or more, then the Section 232 duty rate is zero (0%).

EU-origin products subject to the Section 232 duties on automobiles and auto parts are not subject to the Section 232 steel, aluminum, and copper duties.

If duty drawback may be claimed on NTR Column 1 duties, then the CSMS guidance directs that the NTR duty amount is to be reported with the HTS Chapter 1-97 tariff classification of the automobile or auto part and the duty amount difference between 15% and the NTR duty amount is to be reported on the HTSUS Chapter 99 tariff provision for the combined 15% NTR and Section 232 duty rate.

This tariff relief is retroactive for EU autos and auto parts entered for consumption or withdrawn from warehouse for consumption on or after 12:01 a.m. eastern daylight time (EDT) on August 1, 2025.

EU-origin passenger vehicles, light trucks, and auto parts subject to these duties that are admitted into a foreign-trade zone (FTZ) on or after 12:01 a.m. EDT on September 25, 2025, must be admitted in Privileged Foreign (PF) status and will be subject upon entry for consumption to any ad valorem rates of duty related to their classification. Note that this does not specifically address the treatment of covered automobiles and auto parts admitted into FTZs prior to September 25.

Exemption of Products Subject to Section 232 Tariffs from Reciprocal Tariffs

EU-origin products subject to the Section 232 duties on steel, aluminum, copper, and auto tariffs continue to be exempt from the Reciprocal Tariffs.

Civil Aircraft and Aircraft Parts

EU-origin products that fall under the World Trade Organization (WTO) Agreement on Trade in Civil Aircraft are no longer subject to the Reciprocal Tariffs and the

Section 232 duties on steel, aluminum, and copper. This tariff treatment is retroactive to products entered for consumption or withdrawn from warehouse for consumption on or after 12:01 a.m. EDT on September 1, 2025. The eligible aircraft and aircraft part classifications are listed by HTSUS classification in new subdivision (xviii) to U.S. Note 2 to HTSUS Chapter 99, Subchapter III, and are to be classified in HTSUS 9903.02.76. See the linked [Federal Register](#) notice at p. 46169.

Generic Pharmaceuticals

Certain EU-origin products that are not patented in the United States and are for use in pharmaceutical applications are exempt from the Reciprocal Tariffs with retroactive effect if entered for consumption or withdrawn from warehouse for consumption on or after 12:01 a.m. EDT on September 1, 2025. The eligible generic pharmaceuticals and their ingredients and precursors are listed by HTSUS classification in new subdivision (xix) to U.S. Note 2 to HTSUS Chapter 99, Subchapter III, and are to be classified in HTSUS 9903.02.77. See the linked [Federal Register](#) notice at p. 46170.

Unavailable Natural Resources and Certain Religious Essential Oils

Certain EU-origin unavailable natural resources and religious essential oils are exempt from the Reciprocal Tariffs with retroactive effect if entered for consumption or withdrawn from warehouse for consumption on or after 12:01 a.m. EDT on September 1, 2025. Eligible unavailable natural resources are listed by their HTSUS classification in new subdivision (xvi) to U.S. Note 2 to HTSUS Chapter 99, Subchapter III, and are to be classified in HTSUS 9903.02.74. See the linked [Federal Register](#) notice at p. 46168. The essential oils for religious purposes are limited to those classified in HTSUS subheading 3301.29.51 and are to be classified in HTSUS 9903.02.75. See the linked [Federal Register](#) notice at p. 46169.

Application of the Reciprocal Tariffs (i.e., the 15% Baseline Tariff Rate)

The CSMS guidance reiterates the provisions of EO 14236 (July 31, 2025) that modified the application of the Reciprocal Tariffs to products of EU member countries, other than the products specified above, entered for consumption or withdrawn from warehouse for consumption on or after 12:01 a.m. EDT on August 7, 2025. This treatment is discussed in more detail in our earlier August 1, 2025, [What's New](#).

This communication provides only a summary of the many issues and requirements included in these announcements. Clients should read and consider the source documents. Please contact [Marshall Miller](#), [Brian Murphy](#), [Sean Murray](#), or [David Ostheimer](#) with questions.

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