



U.S.-JAPAN TRADE AGREEMENT IMPLEMENTATION (September 5, 2025)

On September 4, the White House issued an [Executive Order](#) (EO) implementing the U.S.-Japan Trade Agreement, which provides for products of Japan a combined 15% Reciprocal and Normal Trade Relation (NTR) tariff rate, reduced tariffs for Civil Aircraft Agreement products, reduced Section 232 tariffs on autos and auto parts, and potential zero Reciprocal Tariffs for natural resources and generic pharmaceutical products and materials. No reduced tariff treatment can occur until a [Federal Register](#) notice is published modifying the HTSUS.

Reciprocal Tariffs & Opportunity for Refunds

The Executive Order provides retroactive and prospective reduced Reciprocal Tariff duty rates on products of Japan, similar to the combined 15% rate applied under EO [14326](#) to products of the European Union (E.U.). Where the regular HTSUS Column 1 Normal Trade Relations (NTR) duty rate is 15% or higher, then essentially no additional Reciprocal Tariffs apply to Japanese products. However, if the Column 1 NTR duty rate is less than 15% (which is the case for the vast majority of HTSUS classifications), then the Column 1 NTR duty rate and additional Reciprocal Tariff rate shall be added to equal 15% for Japanese products.

These new Reciprocal Tariff rates are **retroactive for entries made after 12:01 a.m. Eastern Daylight Time on August 7, 2025**, and refunds may be claimed. Clients are urged to run ACE Portal reports to identify Customs entries where Post-Summary Corrections (PSCs) or Protests may be filed to obtain refunds on Japan products.

Aerospace, Automobiles, and Automobile Parts

For products of Japan that fall under the World Trade Organization Agreement on Trade in Civil Aircraft, except for unmanned aircraft, the following tariffs will no longer apply:

- Section 232 Steel, Aluminum, and Copper Tariffs
- IEEPA Reciprocal Tariffs

Similar to how the Reciprocal Tariffs on E.U. products are calculated, Section 232 Automobile and Auto Parts Tariffs ("Auto Tariffs") shall be 0% for products of Japan if the Column 1 NTR rate is above 15%. If the Column 1 duty rate is less than 15%, then the Column 1 NTR Duty Rate and the additional Auto Tariff rate shall be added to equal 15%. Based on the Reciprocal Tariff EO [14257](#), goods subject to the Auto Tariffs are exempted from Reciprocal Tariffs. See our April 30 [What's New](#) update.

Within seven days after publication of this EO in the [Federal Register](#), the Commerce Secretary, in consultation with the U.S. International Trade Commission and CBP, is to publish a [Federal Register](#) notice modifying the HTSUS to provide this reduced tariff treatment for civil aircraft, civil aircraft parts, autos, and auto parts.

Products Not Subject to Reciprocal Tariffs

The Commerce Secretary is authorized to modify Reciprocal Tariffs to 0% for products of Japan that are "natural resources unavailable (or unavailable at sufficient scale to satisfy domestic demand) in the United States, generic pharmaceuticals, generic pharmaceutical ingredients, and generic pharmaceutical

chemical precursors.”

Products of Japan

The Secretary of Commerce may issue new rules for determining what constitutes “Products of Japan” within the meaning of this EO.

Foreign-Trade Zones

The EO provides no guidance on the treatment of Foreign-Trade Zone (FTZ) on-hand inventory of Japan products in Privileged Foreign (PF) zone status.

This communication provides only a summary of the many issues and requirements included in and raised by this EO. See our previous July 31 [What's New](#) and August 15 [Briefings](#) newsletter for background information and please contact [Marshall Miller](#), [Brian Murphy](#), [Sean Murray](#), or [David Ostheimer](#) with questions.

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