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Customs Guidance Helps Clarify Full Scope of Exceptions to IEEPA Reciprocal Tariffs

Client Alert

4.9.2025

Starting today, April 9, 2025, the 10% reciprocal tariff on all imported goods (except those covered by exceptions) is being adjusted. Effective today, a country-specific tariff will apply to 83 countries and will replace the 10% duties on imports from those countries:

- Cameroon or the Democratic Republic of the Congo imports will have a tariff of 11%.
- Chad or Equatorial Guinea imports will have a tariff of 13%.
- Nigeria imports will have a tariff of 14%.
- Norway or Venezuela imports will have a tariff of 15%.
- Mozambique imports will have a tariff of 16%.
- Israel, Malawi, Philippines, or Zambia will have a tariff of 17%.
- Nicaragua or Zimbabwe imports will have a tariff of 18%.
- Jordan or the European Union (Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden) imports will have a tariff of 20%.
- Côte d'Ivoire or Namibia imports will have a tariff of 21%.
- Vanuatu imports will have a tariff of 22%.
- Brunei, Japan, or Malaysia imports will have a tariff of 24%.
- South Korea imports will have a tariff of 25%.
- India imports will have a tariff of 26%.
- Kazakhstan imports will have a tariff of 27%.
- Tunisia imports will have a tariff of 28%.
- Pakistan imports will have a tariff of 29%.

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- Algeria, Nauru, or South Africa imports will have a tariff of 30%.
- Libya, Moldova, or Switzerland imports will have a tariff of 31%.
- Angola, Fiji, Indonesia, or Taiwan imports will have a tariff of 32%.
- North Macedonia imports will have a tariff of 33%.
- Bosnia and Herzegovina imports will have a tariff of 35%.
- Thailand imports will have a tariff of 36%.
- Bangladesh, Botswana, Liechtenstein, or Serbia imports will have a tariff of 37%.
- Guyana imports will have a tariff of 38%.
- Iraq imports will have a tariff of 39%.
- Mauritius imports will have a tariff of 40%.
- Falkland Islands or Syria imports will have a tariff of 41%.
- Myanmar (Burma) or Sri Lanka imports will have a tariff of 44%.
- Vietnam imports will have a tariff of 46%.
- Madagascar imports will have a tariff of 47%.
- Laos imports will have a tariff of 48%.
- Cambodia imports will have a tariff of 49%.
- Lesotho imports will have a tariff of 50%.
- China, including Hong Kong and Macau, imports will have a tariff of 84%.

Notably, in an Executive Order issued yesterday, April 8, 2025, “Amendment to Reciprocal Tariffs and Updated Duties as Applied to Low-value Imports from the People’s Republic of China,” an updated reciprocal rate of duty for goods of China was issued—a reciprocal tariff of 84% will replace the previous rate of 34%.

However, focusing solely on the new duties, this Client Alert helps clients understand what the possible tariff exceptions are under existing Executive Orders and standing Customs regulations.

Exception 1:

For articles which are the product of Canada, including those products of Canada entered free of duty as under the United States–Mexico–Canada Agreement.

Exception 2:

For articles which are the product of Mexico, including those products of Mexico entered free of duty as under the United States–Mexico–Canada Agreement.

Exception 3 (and this is BIG!):

For articles which are the product of any country that were:

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(1) loaded onto a vessel at the port of loading and in transit on the final mode of transport prior to entry into the United States before 12:01 a.m. EDT on April 5, 2025, AND

(2) are entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. EDT on April 5, 2025, and before 12:01 a.m. EDT on May 27, 2025.

NOTE: Articles from countries with country-specific tariffs listed above that were loaded AFTER April 5, 2025, and before 12:01 a.m. EDT April 9, 2025, and are entered for consumption, or withdrawn from warehouse for consumption, before 12:01 a.m. EDT on May 27 2025, are subject to the 10% additional rate in lieu of the country-specific rate of duty.

Exception 4:

For articles which are the product of any Column 2 rate country identified in general note 3(b); currently limited to Belarus, Cuba, North Korea and Russia.

Exception 5:

Articles that are donations, by persons subject to the jurisdiction of the United States, of articles, such as food, clothing, and medicine, intended to be used to relieve human suffering.

Exception 6:

Articles that are informational materials, including but not limited to, publications, films, posters, phonograph records, photographs, microfilms, microfiche, tapes, compact disks, CD ROMs, artworks, and news wire feeds.

Exception 7:

Articles of any country, classified in the subheadings enumerated in the subdivision (v)(iii) of U.S. note 2, identified in Annex II of the Reciprocal Tariff Executive Order.

Exception 8:

Articles of iron or steel, derivative articles of iron or steel, articles of aluminum, derivative articles of aluminum, passenger vehicles (sedans, sport utility vehicles, crossover utility vehicles, minivans, and cargo vans) and light trucks and parts of passenger vehicles (sedans, sport utility vehicles, crossover utility vehicles, minivans, and cargo vans) and light trucks, of any country, subject to Section 232 actions.

Exception 9:

For articles in which at least 20% of the value of article is U.S. originating, the U.S. content will not be subject to the reciprocal tariff. The reciprocal tariff will be assessed on the non-U.S. content. (See below for reporting instructions.)

Exception 10:

Articles for which entry is properly claimed under the Chapter 98 Program of HTSUS, pursuant to applicable U.S. Customs and Border Protection (CBP) regulations, and whenever CBP agrees that entry

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under such a provision is appropriate, except for goods entered under heading 9802.00.80; and subheadings 9802.00.40, 9802.00.50, and 9802.00.60. For subheadings 9802.00.40, 9802.00.50, and 9802.00.60, the additional duties apply to the value of repairs, alterations, or processing performed, as described in the applicable subheading. For heading 9802.00.80, the additional duties apply to the value of the article assembled abroad, less the cost or value of such products of the United States, as described.

Exception 11:

Drawback is available with respect to the additional duties imposed pursuant to the Executive Order.

Exception 12:

The *de minimis* exemption continues to be available for certain articles, including eligible articles sent to the United States through the international postal network.

The tariff landscape continues to develop. The exceptions listed above are nuanced and require careful application to each client's specific facts and circumstances of importation.

Details On Duty-Drawback, De Minimis, and In-Transportation Exceptions:

The Duty Drawback Exception, which permits imported inputs to be re-exported with 99% of the duties refunded upon exportation of the finished product, has previously been denied in earlier notices in connection with these new tariffs, and is a valuable addition. Duty drawback when used for manufacturing, recognizes that these foreign inputs, destined to be used in U.S. production, create U.S. value in the manufacture of finished products, as well as jobs for U.S. workers and that the U.S. economy benefits. These foreign inputs might otherwise have been used in overseas production.

Recognition of the *de minimis* exception for low value goods under \$800, exempting them from duties and formal customs inspection and entry procedures (e.g. through FedEx) is also important, since it reduces the burden on Customs of having to inspect many small packages and is particularly helpful to small businesses.

Lastly, the In-Transport Exception is a significant one, as it considers the long transportation time even from places like China and allows for a bit of a runway for products already on their way to the U.S.

The Butzel Automotive and Tariff Groups are available to assist in sorting through these myriad tariffs. Please contact the authors of this Client Alert or your Butzel attorney for further assistance.

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