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President Trump Tariffs: USMCA Goods Receive Tariff Reprieve Until at Least April 2

Client Alert

3.7.2025

The 25% tariffs on all goods imported from Mexico and Canada that President Trump announced on February 4 of this year went into effect on Tuesday, March 4, 2025, at 12:01 am. [See two Federal Register Notices from March 6, [here](#) and [here](#).] On Thursday, March 6, President Trump again paused implementation for Mexico.

Following discussions with automotive industry executives, market pressure, and resistance and promises of retaliation from both Canada and Mexico, the President later on Thursday, March 6, 2025, issued two new Executive Orders [see [here](#) and [here](#)] postponing these tariffs on all products that are compliant with the terms of the United States-Mexico-Canada Agreement (“USMCA”) until April 2, 2025. [NOTE: The Administration has stated that there will be no refund of any duties paid on March 4, 5, and/or 6.]

When asked why he elected to pause the Canada Mexico tariffs in an interview to be aired on Sunday, President Trump explained that he wanted “to help the American carmakers until April 2nd” and that it would be good for Canada, Mexico, and the USMCA. The interim exemption for USMCA-compliant goods covers approximately 62% of goods imported from Canada and 50% of those brought in from Mexico [See *Wall Street Journal* article].

Compliance with the USMCA is based in large part on complex “country of origin” rules within the Act that can apply to the imported product and/or its components. Compliance and record-keeping can be expensive and/or time-consuming. Some businesses elect not to do so either because (previously) there was no tariff on their product, or paying the (previously) applicable tariff was still more cost-efficient than the requisite compliance measures. Many businesses, including some in the automotive sector, may therefore still be exposed to the Mexico/

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Canada tariffs for now. Those businesses may need to reconsider the possible benefit (at least for the near term) in USMCA country of origin evaluation versus payment of a 25% or larger tariff. For companies that have not claimed USMCA benefits at the time of importation, there are procedures to do so afterwards.

In the excerpt from the interview to be aired on Sunday, President Trump suggested that further delays to implementation of Mexico/Canada tariffs were not likely. He stated that he was trying to give those affected "a little bit of a break"; "for a short period of time". He also intimated that, come April 2, further action with regard to Canada and Mexico could be rolled up in (or replaced by) the recently announced reciprocal duties that are currently being evaluated for all countries with which the US does business.

The Butzel Automotive and Tariff Groups are available to assist in sorting through these myriad tariffs and deadlines. Butzel attorneys held a webinar on March 4, to discuss the constantly changing tariff landscape: Tariffs Uncovered: What Every Automotive Supplier Must Know. Butzel will also host an additional webinar focusing on the steel and aluminum tariffs to take affect March Friday, 12, as well as potential reciprocal tariffs to take affect April 2, to be held online on Friday, March 14, 2025, at 12:00 pm. Further announcements regarding registration for the webinar will be available shortly.

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