Tariff Update 2 November 2025

Dear Valued Customer,
Below is a summary of recent and upcoming tariff activity.

China – U.S. Trade update:

- The IEEPA fentanyl tariff will be reduced from 20% to 10% effective for entries from **10 November.**
- The current IEEPA reciprocal rate of 10% will remain in effect until 10 November 2026.
- Existing Section 301 exclusions, set to expire 29 November, will be extended until 10 November 2026.
- Section 301 Chinese vessel fees implemented on October 14 will be suspended for one year, from 10 November.

Reciprocal tariffs

Reciprocal tariffs remain in place, pending the Supreme Court hearing on their constitutionality on the 5th of November. The hearing will review the U.S. Court of International Trade (CIT) ruling against the tariffs. The Supreme Court has fast-tracked the case, and it is expected that it will issue a ruling before the end of it's term, in Q1 of 2026, or earlier.

The CIT ruling invalidated:
- The 10% universal "reciprocal" tariff, in effect since 2 April, and
- The 20% "fentanyl" tariff on China and the 35 & 25% tariffs on Canada & Mexico.

The CIT ruling does not impact tariffs imposed under other legal authorities such as Section 232 (national security) on steel, aluminum, automobiles and components/ derivatives or Section 301 (unfair trade practices).

What This Means for Importers:
- Current entries must be filed including the tariffs, duties calculated and paid until CBP issues a CSMS.
- Refunds are not available, pending clarity from the Court or CBP direction.

While we wait for further direction from CBP, Imperative recommends the following preparatory steps:
1. Identify impacted entries that were assessed fentanyl or reciprocal tariffs and may be eligible for refunds if procedures are released.
2. Prepare to file protests on liquidated entries, preserving your right to a refund. Many of the first entries filed applying the tariffs will be subject to liquidation starting in December.
3. Catalog relevant documentation, including your CBP Form 7501 and proof of duty payment.
4. Monitor official communications from CBP or the court – social media is not official.

Imperative is closely tracking all developments and will keep you informed of any updates, including any refund eligibility and the process of submitting claims.

Recent Tariff Changes

- **IEEPA India (Russian Oil):** Effective **August 27, 2025,** a 25% duty rate applies to all non-exempted goods from India. Full details on applicability and exemptions are available in CSMS# 66027027, published on August 25, 2025. Cargo in-transit before 27 August must have been entered before 18 September.

• **De Minimis Exemption:** Effective **August 29, 2025**, de minimis duty-free treatment will no longer apply to shipments entering the United States, *including those entering via international mail.*

  - US CBP has issued global guidance for international mail, accessible here.

• **Tariff Requirements Guidance:** On August 20, 2025, CBP released updated guidance on the 2025 tariff requirements. Full document is available here.

New Section 232 Tariffs

Effective 1 October, the following new Section 232 tariffs will be in place, from all origins, with exceptions for countries that have established trade framework agreements:

- 50% tariffs on kitchen cabinets and bathroom vanities
- 30% tariffs on upholstered furniture
- 25% tariffs on heavy trucks & components
- 100% tariffs on pharmaceuticals

Also announced were new Section 232 investigations into Semiconductors, PPE and Robotics. These should be concluded by December.

Sec. 232 Steel & Aluminum

On 3 June, the Executive issued an Order to raise Sec. 232 tariffs on steel to 50% from 25%. This went into effect at midnight, 4 June.
There is a critical detail in the EO, which clarified that the non-aluminum and steel content not subject to 232 tariffs will be subject to the reciprocal IEEPA tariff.

Previously, CBP had stated that only aluminum and steel derivative articles with zero percent aluminum and steel content would be subject to reciprocal tariffs, now it is clear that all aluminum and steel derivative articles will be subject to reciprocal IEEPA tariffs.

CBP reinforced this in their CSMS notifications: *"the non-steel (non-aluminum) content of an article reported on a separate line per the instructions above is subject to Reciprocal tariffs under HTS 9903.01.25 (see also CSMS # 65201384). The steel/ aluminum content subject to Section 232 duties per the instruction above is not subject to Reciprocal tariffs under HTS 9903.01.33."*

This is very important, as during April we fielded many questions from and asked our importers to dig into their finished "derivative" product BoMs to break out the metal and non-metal values to assess the correct tariff, which for goods from China, was at times inverted in favor of Sec. 232.
Importers sought to declare goods with metal content with the goal of avoiding the cumulative 145% CN-IEEPA tariffs.

This is now clarified that BoM detail is ever more important: ***we must split the value between Sec. 232 (50%) and Reciprocal IEEPA (10%) on derivative steel and aluminum products.***

Sec. 232 Copper: On 1 August, a 50% tariff on copper imports took effect.