Tariff Update 5 August 2025

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

Key dates over the next 3 months:

12 August - Reciprocal IEEPA 90-day pause on China expires but is expected to be extended again for another 90 days, after the outcome of the latest negotiations in Sweden.

31 August - Section 301 "Annex A" exclusions expire.
1 September - Section 301 "Annex B" exclusions expire.

14 October – Section 301 vessel fees set to take effect. There are fees for Chinese vessel owners and operators as well as Chinese built vessels. For containerized cargo, the fee per container discharged will start at $120 per container on October 14, 2025, and increase each year on April 17 until reaching $250 per container on April 17, 2028.

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 with their twin CSMS notifications this morning: *"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."*

Imports of UK-origin aluminum and steel articles and derivative articles remain at 25% unless the Secretary determines they are not meeting their obligations under the US-UK agreement.
Additionally, the EO states that the quota process will be determined by July 9th. This is in-line with the expected signing of the US-UK trade deal.

It also focuses CBP enforcement back onto the steel and aluminum content, stating the agency will issue "authoritative guidance" on the declaration requirements for steel and aluminum articles and mandating the agency to strictly enforce it. Expect more CF28s in the coming weeks.

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.

Sec. 232 Lumber, semiconductors and pharmaceuticals

Investigations on-going, expected preliminary decisions by November.

Reciprocal tariffs

On May 28, 2025, the U.S. Court of International Trade (CIT) issued a decision that the tariffs imposed under the International Emergency Economic Powers Act (IEEPA) were unlawful. In a unanimous ruling, the court determined "that IEEPA does not authorize any of the Worldwide, Retaliatory, or Trafficking Tariff Orders." As such the court determined that "the executive orders must be vacated and their operation permanently enjoined."
The Court of Appeals for the Federal Circuit (CAFC), stayed the CIT order, pending the appeal. The appeal has been granted a full court hearing, and arguments are set for 31 July. Any decision is very likely to be appealed to the Supreme Court, which would not grant a hearing until the fall session at the earliest. In the meantime, importers must continue to pay the reciprocal and fentanyl IEEPA tariffs.

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

The 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:
- Refunds are not available, pending a court or CBP direction.
- Current entries must be filed including the tariffs, duties calculated and paid until CBP issues a CSMS.

Will CBP issue refunds on IEEPA tariffs paid over the past few months?
Not yet, but the Administration does not oppose the order. Nothing will happen until the courts make their final decision and CBP issues a rule on refunds. If the government loses its appeals, importers will likely need to file PSCs, protests, court actions or some other administrative process to obtain refunds.

In a Joint Stipulation filed by DOJ May 28 in the Princess Awsome, et al case it states:
"Defendants stipulate that they will not oppose the Court's authority to order reliquidation of entries of merchandise subject to the challenged IEEPA duties and that they will refund any IEEPA duties found to have been unlawfully collected, after a final and unappealable decision has been issued finding the duties to have been unlawfully collected and ordering defendants to refund the duties. … The parties understand that defendants will only refund IEEPA duties collected pursuant to the executive actions that are found to be unlawful."

The elimination of de minimis (19 USC 1321) was included in the IEEPA order on products from China, does this order mean that de minimis is available again for China origin products?
Maybe, first we need to wait for the appeals process to conclude. If the CAFC and the Supreme Court uphold the CIT's decision it is possible that they will also find that the other clauses in the IEEPA-based Executive Orders are also invalid, including the elimination of de minimis.

What does this mean for the much-hyped "trade deals" being negotiated?
The UK trade deal is still in effect, and other negotiations will continue but with less urgency until the appeals and administrative process plays out. Imperative will monitor the changes in the coming weeks.

While we wait for further directions from CBP, we recommend the following preparatory steps:
1. Identify impacted entries that may be eligible for refunds if procedures are released.
2. Collect relevant documentation, including CBP Form 7501 and proof of duty payment.
3. 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.