The Latest Tariff Shift

Discussion on the most recent developments in the U.S. tariff space.

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Presenters

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- 50+ Companies advised
- Over $1m in total tariff value saved

What Should You Focus On?

- What am I exposed to?
- What is it going to cost me?
- What can I do to minimize my tariff costs?

Inactive

- IEEPA
- Section 122

Ongoing

- Section 232 (with revisions)
- China Legacy Section 301

New

- Section 301 “Forced Labor”
- Section 301 “Unfair Trade Practices”
- Section 338
“Discrimination Against U.S. Commerce”

International Emergency Economic Powers Act Tariff Invalidation and The Refund Process

- IEEPA tariffs were first launched in February 2025 and then ruled invalid by the U.S. Supreme Court in February 2026. A refund process has been implemented.

Refund Strategy — What Importers Should Do (It's a Four-Step Process)

Importer ACE Portal Account

Ensure account information is accurate, including contacts and banking information. CBP refunds will be paid via the Treasury directly to the importer's designated bank account

Pull and Organize ACE Data

Run ES-001 and ES-003 for entries from Jan 2025 to end of Feb 2026. Segment by liquidation date, duty amount, and tariff program. Prioritize entries still within the voluntary reliquidation window; flag expired-window entries for later review

Upload to CAPE

The CAPE (Consolidated Administration and Processing of Entries) portal is a tool inside the ACE secure data portal. Here you can download the CAPE template, enter identifiable eligible entry numbers and upload your claim directly

Monitor Activity

Use ACE portal reports such as ES-022, REV-603, or REV-615 to check your claim status at regular intervals

Key Risk: Finally Liquidated Entries

- The federal government has an appeal pending at the U.S. Court of Appeals that could halt CAPE phase 3 processing for older entries. If the value of these entries is significant, importers may consider filing protective action within the Court of International Trade (CIT)
- Finally liquidated entries outside the voluntary reprocessing window MAY NOT RECEIVE automatic refunds if Department of Justice's position prevails.
- Waiting for automated CAPE refunds could be risky where significant duties are tied to older liquidated entries.

Section 122 Expiration & Replacement Strategy

- Section 122 tariffs were enacted as a short-term replacement for the invalidated IEEPA tariffs, and because Section 122 allows only 150-day surcharges without congressional extension, the 10% temporary surcharge expired at midnight on July 24, 2026
- The administration is shifting toward Section 301 and Section 232 tools to maintain trade-remedy pressure.

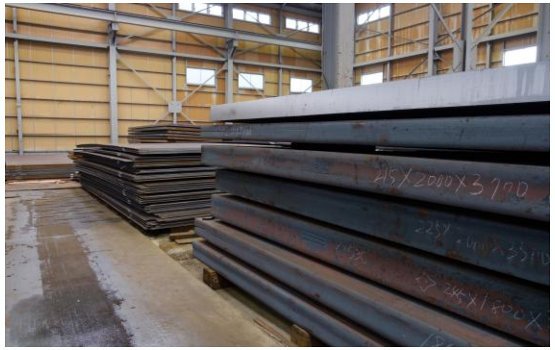
Section 232 Expansion — April 2026 to Date

Multiple Expansions

- **April 2026 change: Section 232 tariffs on covered steel, aluminum, and copper derivatives are assessed on the full customs value rather than only metal content.**
- **June 2026 expansion: Downstream products were added or recalibrated, including agricultural equipment, residential HVAC systems, and mobile industrial equipment.**
- **July 2026 expansion: Effective July 31, patented pharmaceutical products and ingredients imported by the 17 largest pharmaceutical companies will face additional duties of up to 100% ad valorem. For all other companies, the increased duties will take effect on September 29, 2026. Patented pharmaceuticals and ingredients which are the product of the United Kingdom, are exempt.**
- **Temporary relief:** Certain products qualify for a 15% reduced ad valorem rate through December 31, 2027.

Additional Details

- **U.S.-origin metal threshold:** The "entirely American" metal content threshold was lowered from 95% to 85% by weight.
- **Compliance detail:** USMCA qualifying Canadian and Mexican steel derivatives require two-line reporting to separate U.S. and non-U.S. content.



Section 301 : China Legacy Tariffs

- Imposed in 2018 after investigation into China's intellectual property and technology-transfer prices
- Still fully in effect: 25% Lists 1-3; 7.5% on List 4a
- Likely not going away any time soon

Section 301: Forced Labor Import Duties

- **Effective**: July 24, 2026
- **Scope:** USTR investigations cover 60 major U.S. trading partners, representing 99.4% of U.S. goods imports.
- **Tier 1 — 10% proposed duty:** Economies with legal forced labor import prohibitions or commitments, but with enforcement concerns.
- **Examples:** Canada, Mexico, the European Union, Argentina, Bangladesh, Cambodia, Ecuador, El Salvador, Guatemala, Indonesia, and Pakistan.
- **Tier 2 — 12.5% proposed duty:** Other investigated economies determined to lack both prohibition and effective enforcement.
- **Examples:** Australia, India, Israel, Egypt, Iraq, The Bahamas, and other major trading partners.

Section 301: Unfair Trade Practices - Brazil

- **Effective:** July 22, 2026
- **Scope:** USTR investigations covered six core areas of trade and regulatory practices. A 25% additional duty applies to a broad base of Brazilian-origin goods, mainly focusing on machinery, electrical equipment, granite, gold , tires, sugar, apparel.
- **Key exemptions:** Spares roughly 44% of Brazilian exports—including coffee, orange juice, beef, petroleum, and civil aircraft, goods already covered by Section 232 steel and aluminum tariffs.

Section 338 - "Discrimination Against American Commerce" - Canada (50%)

- **Effective:** August 19, 2026, at 12:01 a.m. Eastern Time
- **Scope:** Unlike Section 301 or Section 232, Section 338 allows direct execution by presidential proclamation without prior formal investigations or public hearings. Targeted sectors: motor vehicles; alcoholic beverages and dairy
- **Tariff Rate:** an extra 50% ad valorem duty stacking on top of any existing taxes, fees and standard duties
- **USMCA Status**: Applies to covered goods regardless of whether they qualify for preferential, duty-free origin under the USMCA agreement
- **Exclusions**: Energy products, potash, fish, critical minerals, items already subject to Section 232 tariffs

Tariff Stacking – How the Costs Add Up

Tariff Measure	Typical Additional Rate	Primary Scope / Country	How it stacks
Section 232 – metals & autos	25%–50% metals; 25% autos/parts; 15% temporary reduction Annex III	Steel, aluminum, copper (all countries); autos/parts	Stacks cumulatively with Std. MFN base duty, Section 301 China tariffs, AD/CVD (if applicable)
Section 301 – China legacy (Lists 1–4)	25% (Lists 1–3); 7.5% (List 4A)	~$370B in Chinese goods (IP/tech findings)	Added on top of Std. MFN; can stack with Section 232 metals/autos and AD/CVD; stacks on top of Section 301 Forced Labor tariffs
New Section 301 – forced-labor action	10% or 12.5%	60 trading partners; broad product coverage	Added on top of Std. MFN; can stack with Section 301 China legacy and AD/CVD
Section 301 – Brazil (unfair trade practices)	25%	Broad base of Brazilian goods	Added on top of Std. MFN; stacks on top of Section 301 Forced Labor tariffs
Section 338 – Canadian goods (upcoming)	50%	Canadian motor vehicles, alcoholic beverages, and dairy	Will be added on top of Std. MFN and Section 301 Forced Labor tariffs

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Mitigating Tariff Impact

Strategy	Best For	Savings Potential	Complexity
Tariff Engineering	Manufacturers, importers with flexible specs	High (10%+)	Medium–High
FTZ (Foreign Trade Zone)	High-volume importers, assemblers	Medium–High	High
HTS Review	All importers	Medium (5%+)	Low–Medium
Duty Drawback	Exporters, e-commerce	High (up to 99% refund)	High
First Sale	Multi-tier supply chains	Medium	High
Sourcing Shifts	China-dependent importers	Very High (eliminate 25%+)	Medium
TIB (Temporary Import Bond)	Temporary imports (repairs, exhibitions, testing, prototypes)	Medium (due to limited eligibility)	Low–Medium

Key Takeaways

- Section 122 has ended, but trade-remedy exposure continues through Section 232 and additionally through Section 301 and Section 338 actions.
- Section 232 compliance now requires closer HTSUS classification, product composition, and country-of-origin analysis.
- IEEPA refund recovery may depend on liquidation timing and proactive legal steps.
- **Recommended next step: Understand your exposure under the current landscape and form a strategy to mitigate tariff costs. These tariffs will remain in place for the foreseeable future. If you are not planning for cost mitigation, you will have to absorb these costs or pass them onto your customers.**

Your Tariff Position is Constantly Shifting...Let's Talk

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