

# Publications

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## Trump Administration Resets Section 232 Metals Tariffs, Retaining 50% Duties on Most Primary Metals and Imposing Tiered Full-Value Duties on New Product Groupings

### Key Takeaways

- President Trump has overhauled the Section 232 tariffs on metals, instituting a system in which tiered rates apply to the full entered value of covered products based on that imported product's grouping. Rate tiers depend on the country of origin of the imported article and the extent to which the article is manufactured entirely of metal originating in the United States (*i.e.*, smelted and cast, or melted and poured).
- The tariff rates applicable to primary steel and aluminum products subject to the original Section 232 tariffs imposed in 2018 generally remain at 50%; derivative product tariff rates vary by annex.
- The appropriate tiered Section 232 tariff rate applies to the full entered value of the covered product. For products in select annexes that are classified outside of HTSUS Chapters 72, 73, 74 and 76, however, the Section 232 tariffs only apply if the applicable covered metal accounts for at least 15% of the weight of the imported article.
- Certain articles previously added as metals derivatives are no longer covered by Section 232 tariffs. The derivative inclusion process as promulgated in May 2025 is terminated; however, the current coverage may still be modified moving forward.

President Trump's April 2, 2026 proclamation and annexes retool the Section 232 metals regime by applying duties to the full customs value of covered steel, aluminum and copper articles and derivatives; establishing new product buckets and rate tiers per bucket; removing some products from coverage; and improving future trade stability by terminating the quarterly derivative-inclusions process, while retaining flexibility for future changes in scope and coverage. The changes take effect at 12:01 a.m. EDT on April 6, 2026.

### What the Proclamation Does

The most significant operational change is the move away from a metal-content-based approach for covered goods. The proclamation states that the additional Section 232

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duties on aluminum, steel and copper articles and derivatives will apply to the full customs value of the imported product, regardless of metal content. For select products on Annex I-B and Annex III that are classified outside of chapters 72, 73, 74 and 76 of the Harmonized Tariff Schedule of the United States Code (HTSUS), a 15% applicable-metal-by-weight threshold determines whether the additional duties apply at all.

The revised framework generally provides that articles made entirely or almost entirely of aluminum, steel or copper — including the primary steel and aluminum products subject to the original Section 232 action — will pay 50% on their full value; derivative articles substantially made of those metals will pay 25% on their full value; certain metal-intensive industrial equipment and electrical-grid equipment will pay 15% through 2027; and certain derivative products made abroad will be subject to 10% tariffs.

The proclamation also changes how derivative-product coverage will be administered. It terminates the prior aluminum, steel, and copper derivative-product inclusion processes and instead authorizes the U.S. Department of Commerce and the Office of the U.S. Trade Representative (USTR) to add derivative articles when they jointly determine that imports of those products threaten to undermine the Section 232 actions.

In addition, the proclamation modifies the scope of previously covered derivative products. It provides that products listed in Annex II will no longer be subject to the additional aluminum, steel or copper duties beginning April 6. Products listed in Annex III will be subject to a transitional framework that will apply a temporary reduction in duty rates through Dec. 31, 2027. Effective Jan. 1, 2028, goods in Annex III will be subject to the higher duty rates applicable to Annex I-B.

The proclamation also preserves special treatment for certain UK-origin products, derivative articles made entirely with qualifying U.S.-origin metal content, and certain Russia-product categories, while making clear that goods classifiable as articles or derivatives of more than one covered metal will be subject to only one applicable duty rather than cumulative duties.

### **What This Means for Importers and Producers:**

- **Full-value duty exposure now matters as much as the rate.** For certain products, the practical impact will come less from the nominal tariff rate and more from the move to a full-customs-value methodology. Even if a product falls from the prior 50% rate into a newly-created 25% bucket, duty exposure may increase materially if the embedded metal value was and remains low but above a 15% applicable-metal-by-weight threshold.
- **Product mapping is key.** Importers should closely review annex placement, HTSUS treatment, product construction, and metal content by weight to determine whether products fall into the 50%, 25%, 15%, 10%, excluded-low-content or removed-from-coverage buckets.
- **Documentation will still matter.** Under the prior “metal content” regime, importers built out sophisticated documentation systems to substantiate the valuation on which Section 232 duties were applied. Although duties now apply to full entered value, this documentation will still be key to establishing which goods have a subject metal content below the minimum weight threshold, origin of the articles and origin of the metal content.
- **Scope should be more stable, despite future ability to evolve.** The prior Section 232 regime applicable to steel, aluminum and copper imports created the possibility that hundreds of new HTSUS classifications could be included within covered derivatives on a quarterly basis. Under this new regime, Commerce and USTR have express authority to add derivative articles and so product coverage will likely evolve.

However, the likelihood of significant new tranches of covered derivatives every few months is lower.

- **Previous rules applicable to “special situations” still apply.** Products subject to the steel, aluminum, and copper Section 232 tariffs that are admitted into a U.S. foreign trade zone (FTZ) on or after the effective date of the proclamation must be admitted in privileged foreign status as described in 19 CFR 146.41. Similarly, for goods entered under HTSUS subheading 9802.00.60, the Section 232 duties will still be assessed on the full value of the imported article.
- **Reduced duties on machinery could facilitate domestic production across all industries.** For companies considering new or expanded U.S. operations, the broader and higher Section 232 metals tariffs imposed in 2025 created an added obstacle by increasing the cash reserves and revenue projections needed to justify investment. The temporarily reduced-duty framework for machinery and parts classified in HTSUS subheadings under Annex III may ease those constraints and encourage greater domestic production in all sectors.

### What Companies Should Be Doing Now

- Identify affected SKUs and map them to the applicable annex and rate category.
- Recalculate landed cost using full customs value rather than embedded metal value for covered products.
- Review bills of materials, sourcing records and origin documentation to support tariff treatment.
- Update customs-entry instructions, internal tariff matrices and customer pricing assumptions before April 6.
- Monitor U.S. Customs and Border Protection implementation guidance and any follow-on Commerce or USTR actions expanding derivative-product coverage

This action retools the Section 232 metals regime around full-value duties, creates multiple rate and product-type buckets, removes some products from coverage, establishes a transitional framework for others, and creates a new mechanism for expanding derivative-product coverage. Companies importing steel-, aluminum-, or copper-containing products should act quickly to assess annex placement, classification, metal content, origin, valuation and duty exposure before the new framework takes effect on April 6.

If your business needs strategic legal guidance or anticipates potential impacts resulting from these announcements, contact Deanna Okun, Lydia Pardini, Dominic Bianchi, Polsinelli’s Executive Action Working Group or your Polsinelli contact.