

Publications

April 3, 2025 • Updates

New “Reciprocal” Tariffs Announced, Effective Starting April 5 for Nearly All Countries and Sectors

On April 2, President Trump announced new tariffs impacting a wide array of imported products from nearly all countries. Additional tariffs range from 10% to nearly 50% and become effective starting April 5. Concurrently, the President took action to again terminate the eligibility of Chinese-origin items for low-value shipment benefits, including duty-free treatment.

President Trump’s actions are intended to address “a lack of reciprocity in our bilateral trade relationships, disparate tariff rates and non-tariff barriers, and U.S. trading partners’ economic policies that suppress domestic wages and consumption, as indicated by large and persistent annual U.S. goods trade deficits.” Invoking for a second time the International Emergency Economic Powers Act of 1977 (IEEPA), President Trump’s “Reciprocal Tariff” executive order imposes:

- A 10% additional tariff on the vast majority of countries effective April 5, 2025, at 12:01 a.m. ET. *Excluded from these duties are goods loaded onto a vessel at the port of loading and in transit on the final mode of transit before 12:01 a.m. ET on April 5, 2025.*
- Higher individualized tariffs on countries with which the US has the largest trade deficits, as set out in Annex I. This higher rate will replace the 10% additional tariff for the identified countries effective April 9, 2025, at 12:01 a.m. EDT. *Excluded from these duties are goods loaded onto a vessel at the port of loading and in transit on the final mode of transit before 12:01 a.m. ET on April 9, 2025.*
- Countries subject to Column 2 rates (such as Russia and Belarus) remain the same.

A list of all country-specific tariff rates can also be found here. These country-specific *ad valorem* rates of duty shall apply to all goods, including articles imported pursuant to the terms of all existing U.S. trade agreements, except as provided below.

- The following are excluded from any of the above tariffs regardless of country of origin:
 - Donations intended to relieve human suffering, informational materials, importations ordinarily incident to travel to or from any country (such as

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- o personal luggage), and any other articles subject to 50 USC 1702(b);
- o steel and aluminum articles and autos and auto parts already subject to Section 232 tariffs;
- o all articles that may become subject to future Section 232 tariffs; and
- o copper, pharmaceuticals, semiconductors, lumber articles, certain critical minerals and energy and energy products, as set out in Annex II.
- For goods of Canada and Mexico, the existing February/March IEEPA orders and exclusions are unaffected by these announcements. This means that USMCA eligible goods will continue to enter free of the newly announced reciprocal tariffs, and non-USMCA eligible goods will be subject to the same 25% IEEPA tariff as has been in place since March 4, 2025, (other than Canadian energy and potash which will continue to be subject to a 10% IEEPA tariff which has been in place since March 4, 2025).

If at least 20% of the value of any article imported into the U.S. is U.S.-originating, and that value is substantiated by the importer, then the newly announced reciprocal duties will be collected only on the non-U.S. content of the imported article.

Finally, concurrent with today's actions imposing new tariffs as discussed above, President Trump also took further action to eliminate the ability of articles of country-of-origin China to utilize *de minimis* duty-free treatment. Generally, shipments valued at \$800 or less have been eligible for duty-free entry under provisions allowing smoother entry for low-value shipments. However, concurrent with the Reciprocal Tariff Executive Order President Trump signed an executive order amending the prior China-related IEEPA executive orders to decree that effective 12:01 am ET on May 2, 2025, shipments of Chinese-origin items, including international postal packages sent to the United States through the international postal network from the PRC or Hong Kong, will be ineligible for *de minimis* treatment and duties will be collected

For all other items subject to the reciprocal tariff announcements, *de minimis* will be terminated as soon as Commerce notifies the President that systems are in place to collect duties on those shipments.

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