PUBLICATION

President Trump Orders Tariffs on Practically All Goods Imported Into the United States

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On April 2, 2025, President Trump issued an Executive Order imposing tariffs on all goods entering into the United States. A blanket ten percent tariff goes into effect on all goods April 5, 2025. Then, on April 9, 2025, country-specific tariffs above ten percent will go into effect. The tariffs broadly apply to all imports with few limited exceptions, including goods in transit, goods subject to existing or future Section 232 tariffs, and certain goods identified in the annexes, including copper, pharmaceuticals, semiconductors, lumber articles, certain critical minerals, and energy and energy products. The Executive Order does not alter the previously implemented tariff framework for goods from Mexico and Canada. For China, these new tariffs will be in addition to the previously implemented 20 percent tariff. Companies should conduct a compliance review to confirm the country of origin of their imports as well as the entered value.

Authority

Through the reports submitted pursuant to the America First Trade Policy Presidential Memorandum and the Presidential Memorandum on Reciprocal Trade and Tariffs, President Trump calculated the effective tariff rates for all U.S. trade partners. Based on this and the scale of the U.S. trade deficit, President Trump declared a national emergency. These tariffs are imposed under the authority granted by this emergency, specifically by the International Emergency Economic Powers Act (IEEPA), the National Emergencies Act (NEA), section 604 of the Trade Act of 1974, as amended, and section 301 of title 3, United States Code.

Implementation

As a preliminary matter, these tariffs are additional to any other duties, fees, taxes, exactions, or charges applicable to such imported articles, besides those as described below.

The ten percent tariff on all articles entered into the U.S. goes into effect after 12:01 a.m. ET on April 5. The country-specific tariffs beyond ten percent, as described in the chart below, go into effect after 12:01 a.m. ET on April 9, 2025.

Reciprocal Tariffs	
Country	**Reciprocal Tariff Rate**
China	34%
European Union	20%
Vietnam	46%

Taiwan	32%
Japan	24%
India	26%
South Korea	25%
Thailand	36%
Switzerland	31%
Indonesia	32%
Malaysia	24%
Cambodia	49%
United Kingdom	10%
South Africa	30%
Brazil	10%

The reciprocal tariff rate for any country not included here can be found in Annex I.

Exceptions

- Goods Loaded, In Transit, and Entered or Withdrawn For Consumption
  - The blanket ten percent tariff does not apply to goods loaded and in transit on the final mode of transit before 12:01 a.m. ET on April 5, 2025, but entered after 12:01 a.m. ET on April 5, 2025; and
  - The country-specific tariffs do not apply to goods loaded and in transit on the final mode of transit before 12:01 a.m. ET on April 9, 2025, but entered after 12:01 a.m. ET on April 9, 2025. Therefore, goods from countries with a country-specific rate will only be subject to a ten percent tariff if they are loaded onto a vessel at the port of loading and in transit on the final mode of transit or withdrawn for consumption between 12:01 a.m. ET on April 5, 2025, and 12:01 a.m. ET on April 9, 2025.
- The new tariffs do not apply to:

- Articles encompassed by 50 U.S.C. 1702(b), which includes donations intended to be used to relieve human suffering, information or informational materials, and any transactions ordinarily incident to travel;
- All articles and derivatives of steel and aluminum subject to the duties imposed pursuant to section 232 tariffs (see prior alert);
- All automobiles and automotive parts subject to the duties imposed pursuant to section 232 tariffs (see prior alert);
- Products listed in Annex II to the Order, which will be further clarified in the to-be-published Annex III, which will include copper, pharmaceuticals, semiconductors, lumber articles, certain critical minerals, and energy and energy products;
- All articles from countries that the U.S. does not maintain normal trade relations – such as Cuba and North Korea – which are subject to rates in Column 2 of the Harmonized Tariff Schedule of the United States (HTSUS); and
- All articles that may be subject to future actions under section 232.

Canada and Mexico

The Order will not apply additional, blanket ten percent tariffs or country-specific tariffs on goods from Canada and Mexico. Instead, Canadian and Mexican goods remain subject to the previously imposed Executive Orders, and subsequent revisions thereto*.* Therefore, going forward:

- United States-Mexico-Canada Agreement (USMCA) goods may enter duty-free;
- Non-USCMA goods are subject to a 25 percent tariff; and
- Non-USMCA-compliant energy and potash from Canada will be subject to a ten percent tariff.

Importers must note that there are consequences if the Mexico and Canada Executive Orders are terminated or suspended at any point. If that were to occur, USMCA goods from Canada and Mexico shall enter duty-free, while non-USCMA goods will be subject to a 12 percent tariff. The 12 percent tariff also does not apply to energy or energy resources, to potash, or to an article eligible for duty-free treatment under USMCA that is a part or component of an article substantially finished in the United States.

China and De Minimis Imports

This and a second Executive Order expand action against China. Unlike Canada and Mexico, the Order will apply an additional, blanket 10 percent tariff and then country-specific tariffs on goods from China. This means that the reciprocal tariffs will be in addition to the previously imposed 20 percent tariffs on China. Moreover, the President signed an additional Executive Order yesterday styled as a Further Amendment to Duties Addressing the Synthetic Opioid Supply Chain in the People's Republic of China as Applied to Low-Value Imports. This second executive order eliminates duty-free *de minimis* treatment for imports valued at or under $800 from China and Hong Kong beginning at 12:01 a.m. ET on May 2, 2025. The Secretary of Commerce notified the President that adequate systems are in place to collect tariff revenue related to these low-value imports.

The Order also signals the end of *de minimis* treatment for imports. For goods from elsewhere, the $800 *de minimis* threshold will remain applicable only until adequate systems are in place to efficiently collect duty revenue. No deadline is listed for this requirement, so importers must be mindful of announcements by the Department of Commerce.

Application to Non-U.S. Content Only

The tariffs announced in this Order apply only to the non-U.S. content of an imported good, provided that at least 20 percent of the value of the subject article is U.S. originating. U.S. content is the value of an article attributable to the components produced entirely, or substantially transformed in, the United States. United States Customs and Border Protection has been instructed to impose requirements to ascertain and verify the value of U.S. content and the nature of its transformation.

Other Implementation Provisions

- Goods entering into a Foreign Trade Zone (FTZ) must be entered with "privileged foreign status," demonstrating that duties will apply even to goods entering an FTZ within the United States.
- All tariffs imposed on Chinese goods also apply to goods from Hong Kong and Macau.

Future Modification

The Executive Order leaves open room for the President, on advice from his cabinet and advisors, to impose additional tariffs. Additionally, there is room for further action should any other country retaliate against the U.S. or if U.S. manufacturing worsens. The Order also states that the removal of tariffs or non-tariff trade barriers may result in decreased tariffs.

Our International Trade and National Security team will continue to monitor developments and provide updates as warranted. If you have any questions or would like to discuss this in further detail, please reach out to P. Lee Smith, Matthew McGee, or any member of Baker Donelson's International Trade and National Security team.