



New Reciprocal Duties Imposed by the United States

August 1, 2025

On July 31, 2025, President Trump signed a new Executive Order (EO) updating the rates of the “reciprocal” tariffs first announced in April. The following FAQ addresses key questions about these new rates and other tariff-related changes.

Q1. When do the new tariffs go into effect and at what rate?

- A. All goods regardless of country of origin that are entered into the U.S. after 12:01 a.m. EDT on **August 7** (not August 1) will be subject to the new rates, unless the “in-transit” rule (as discussed below) applies. Except for goods from the EU (also as discussed below), the new country-specific rate will be in addition to any “regular,” most favored nation (MFN) tariff rates. Shipments between now and August 7, or shipments impacted by the in-transit rule, will remain subject to a 10 percent reciprocal rate.

Goods originating in a country that IS NOT listed with a country-specific rate, will remain subject to the existing 10 percent reciprocal tariff. Otherwise, the rates listed as Annex 1 to the EO, and set out at the end of this FAQ, will apply to goods that originate in the various countries. For example, below are a few examples of higher country-specific reciprocal rates that go into effect on August 7:

- 15 percent on goods that originate in an EU country, unless the existing MFN rate is greater than 15 percent, in which case the higher rate applies
- 20 percent on Vietnamese origin goods
- 20 percent on Taiwanese origin goods
- 15 percent on Japanese origin goods
- 25 percent on Indian goods
- 15 percent on South Korean goods
- 20 percent on Thai origin goods
- 39 percent on Swiss origin goods
- 19 percent on Indonesian origin goods
- 19 percent on Malaysian origin goods
- 19 percent on Cambodian origin goods

Q2. What about goods from China, Mexico and Canada?

- A. Goods from China remain subject to a reciprocal tariff rate of 10 percent, a fentanyl IEEPA rate of 20 percent and a China Section 301 rate that varies from 7.5 percent to 25 percent for most

items, depending on the item. **The 10 percent reciprocal rate, however, is currently under negotiation, with a different cut-off date: August 12, 2025.** On or before that date, a new reciprocal rate for Chinese origin merchandise is expected. When that rate is announced, we will inform you.

Currently, Mexico and Canada are not subject to reciprocal tariffs because goods from those countries are subject to a 25 percent IEEPA tariff assessed to address illegal immigration and fentanyl. That tariff is not assessed against goods of Mexico or Canada that qualify under the United States-Mexico-Canada Agreement (USMCA). **Mexico negotiated a ninety-day extension with the U.S. of the status quo**, meaning that goods from Mexico that originate as Mexican under the USMCA remain free of the Mexican IEEPA tariff, and goods that do not will be subject to the 25 percent rate.

President Trump announced that the rate assessed against Canada under the Canada fentanyl IEEPA would **increase from 25 percent to 35 percent. This increase goes into effect immediately on August 1.** Goods that originate in Canada under the USMCA, however, remain free from this duty.

Q3. Why is the EU rate different?

- A. The EU rate is different from these other country-specific rates because of the negotiations between the U.S. and the EU. The parties agreed that where a U.S. MFN rate for a specific product is **lower** than 15 percent, then the total of the MFN rate and the reciprocal rate will be capped at 15 percent. For example, if the MFN rate for widgets were 2 percent, then the total duty on a widget that originates in an EU country is capped at 15 percent, not 17 percent; if that same widget came from a non-E.U. country, then you would pay the country-specific rate plus the 2 percent MFN rate. If the MFN rate, however, is higher than 15 percent, then the MFN rate is the rate paid. Thus, if the widget has an MFN rate of 20 percent, then the total duty for an E.U. origin widget would be 20 percent, not 15 percent and not 35 percent.

Q4. What about goods that are in transit?

- A. Goods that are on a vessel at the port of loading or in transit on the final mode of transit before 12:01 a.m. EDT on August 7 and which are entered for consumption into the U.S. or withdrawn from warehouse before 12:01 a.m. EDT on October 5 will not be subject to the higher country-specific rates. Instead, they will remain subject to the current 10 percent reciprocal duties.

Q5. Are the reciprocal tariffs assessed, or “stacked,” on top of other tariffs?

- A. Yes, with some exceptions. The first exception is for products of the EU, as discussed above. Otherwise, the reciprocal tariff, whether at 10 percent or at a higher country-specific rate, are in addition to any MFN duties on the imported goods, and for goods originating in China, any existing China Section 301 duties, and the 20 percent China fentanyl IEEPA duties.

The reciprocal tariffs are not cumulative on products that are subject to Section 232 tariffs – for example, the 25 percent duties assessed on steel and aluminum products (and certain derivatives) or the 25 percent duties on automobiles and automobile parts, or the recently announced Section 232 on copper products.

Q6. *What happens if my importation contains some U.S. origin material?*

- A. While the EO is silent on this point, we expect the existing rule will be carried forward. Thus, if your imported product contains 20 percent or more U.S. origin material, then only the foreign origin content will be subject to the reciprocal tariff. If the U.S. content is less than 20 percent, then 100 percent of the imported good will be subject to the reciprocal tariff.

Q7. *How are foreign trade zone entries and drawback entries handled?*

- A. The EO is silent on both points as well. Because of this, we expect that foreign trade zone (FTZ) entries will be handled the same way they have been handled in the previous 2025 IEEPA tariffs. Thus, unless the good is eligible for FTZ admission under “domestic status” it must be admitted as “privileged foreign status.” We expect this would apply to merchandise admitted into a FTZ on or after 12:01 a.m. EDT on August 7.

As for drawback entries, we believe drawback will be allowed on these new reciprocal tariffs rates, much the way it was allowed on the earlier ones.

We expect these points will be clarified shortly, at which time we will update the membership.

Q8. *Can we still use the de minimis shipment process?*

- A. The *de minimis* shipment process is scheduled to end on August 29, 2025, for all shipments of \$800 and less; products from China lost this privilege back in May. After August 29, shipments previously deemed *de minimis* will be subject to formal entry, meaning a tariff classification will need to be identified for the good, and duty will be deposited based on the various applicable duties for a particular product from a specific country. Alternatively, CBP has created a flat rate based on a sliding scale, ranging from \$80 to \$200, depending on certain criteria.

Q9. *Are the reciprocal duties capped?*

- A. No. President Trump reserved the right to increase or decrease the reciprocal rates if the situation warrants it. Most notably, the EO calls out that negotiations continue with various unnamed countries that could result in different rates. Also, the EO states that the rates could be raised if foreign countries were to implement retaliatory duties against U.S. origin goods.

Q10. What is going on with Brazil?

- A. Like Mexico and Canada, Brazil now has its own IEEPA duties, based on President's Trump's finding that actions by the current Brazilian government are counter to democratic principles and are impacting American citizens' First Amendment rights. As result, goods that originate in Brazil are subject to a separate and additional *40 percent tariff*. This 40 percent tariff stacks on top of the 10 percent reciprocal tariff assigned to goods originating in Brazil. Many products are excluded from the 40 percent IEEPA tariff; however, coffee is not one of those excluded products.

Q11. And what about India?

- A. India now has its own IEEPA duties too, based on President's Trump's finding that India purchases oil from Russia. As result, goods that originate in India are subject to a separate and additional *25 percent tariff*. This 25 percent tariff stacks on top of the 25 percent reciprocal tariff assigned to goods originating in India. Many products are excluded from the 25 percent India IEEPA tariff, and those products are set out on Annex II to EO 14257, issued by President Trump on April 2.

The Indian IEEPA duties go into effect on 12:01 a.m. EDT on August 27, 2025. There is an applicable in-transit rule for goods subject to the Indian IEEPA duties, so that goods that are on a vessel at the port of loading or in transit on the final mode of transit before 12:01 a.m. EDT on August 27 and which are entered for consumption into the U.S. or withdrawn from warehouse before 12:01 a.m. EDT on September 17 will not be subject to the additional India IEEPA duty. Instead, they will remain subject to the 25 percent reciprocal duty.

Q12. What products are covered by the new Section 232 on copper?

- A. This past week, President Trump issued another EO, this time assessing a 50 percent duty on semi-finished copper and copper derivative products. This new duty is a Section 232 duty and goes into effect on August 1. Interestingly, the copper Section 232 does not cover unwrought copper, but the administration stated that it would be reviewing those products in the future. The EO contained an annex that lists the tariff numbers subject to these Section 232 duties.

The Vision Council will keep its members up to date on this very fluid situation. If you have any questions about this alert or the topic, please contact Rick Van Arnham, The Vision Council's Regulatory Affairs Counsel, at rvanarnam@barnesrichardson.com or Omar Elkhatib, The Vision Council's Senior Manager, Government Relations, at oelkhatib@thevisioncouncil.org.

ANNEX 1

Countries and Territories	Reciprocal Tariff, Adjusted
Afghanistan	15%
Algeria	30%
Angola	15%
Bangladesh	20%
Bolivia	15%
Bosnia and Herzegovina	30%
Botswana	15%
Brazil	10% + 40% <i>special tariff</i>
Brunei	25%
Cambodia	19%
Cameroon	15%
Chad	15%
Costa Rica	15%
Côte d'Ivoire	15%
Democratic Republic of the Congo	15%
Ecuador	15%
Equatorial Guinea	15%
European Union: Goods with Column 1 Duty Rate > 15%	0%
European Union: Goods with Column 1 Duty Rate < 15%	15% minus Column 1 Duty Rate
Falkland Islands	10%
Fiji	15%
Ghana	15%
Guyana	15%
Iceland	15%
India	25% +25% <i>special tariff</i>
Indonesia	19%
Iraq	35%
Israel	15%
Japan	15%
Jordan	15%
Kazakhstan	25%
Laos	40%
Lesotho	15%
Libya	30%
Liechtenstein	15%

Countries and Territories	Reciprocal Tariff, Adjusted
Madagascar	15%
Malawi	15%
Malaysia	19%
Mauritius	15%
Moldova	25%
Mozambique	15%
Myanmar (Burma)	40%
Namibia	15%
Nauru	15%
New Zealand	15%
Nicaragua	18%
Nigeria	15%
North Macedonia	15%
Norway	15%
Pakistan	19%
Papua New Guinea	15%
Philippines	19%
Serbia	35%
South Africa	30%
South Korea	15%
Sri Lanka	20%
Switzerland	39%
Syria	41%
Taiwan	20%
Thailand	19%
Trinidad and Tobago	15%
Tunisia	25%
Turkey	15%
Uganda	15%
United Kingdom	10%
Vanuatu	15%
Venezuela	15%
Vietnam	20%
Zambia	15%
Zimbabwe	15%