

# Reciprocal Tariffs Summary

1. The "Pause"
The President issued a "pause" on the reciprocal tariffs, currently scheduled to last until July 9th.
During the pause, reciprocal duties for all countries (other than China) will remain at 10%.
The reciprocal duty on China is currently 125%.
When the pause ends, we are uncertain what will happen with all the tariffs that are now paused at 10%, but we believe more details will come forth in the coming weeks.
Shipments arriving in the US after 12:01am EDT on July 9th will be outside the pause period and subject to whatever the reciprocal duties might be at that time.
We are uncertain if merchandise already in transit will be allowed any exemption when the pause ends - more news on that will likely come out in the coming weeks.

2. Reciprocal tariff exclusions
Items listed on Annex II of the Federal Register Notice are currently excluded from any reciprocal duties.
Items classified under an HTS subject to steel or aluminum duties are excluded from reciprocal tariffs as long as any steel or aluminum duty is due.
The full value of items subject to steel or aluminum duties are fully excluded from reciprocal tariffs even if the steel or aluminum duty is only paid on a portion of the product value.
Items subject to other duties under Section 232 (example autos and auto parts) are excluded from reciprocal tariffs.
For items that contain over 20% of US content, the value of the US content can be excluded from the reciprocal tariffs.

3. Steel and aluminum tariffs
It has been confirmed by Customs that iron is NOT included in the steel tariffs.

IMPORTANT NOTE - due to the complexity of the tariffs today, we need full details to offer any information. This would include the full 10-digit HTS number and the country of origin and we may need even more information in some cases.

4. A few words of caution:
Beware anything that sounds too good to be true when it comes to tariffs and reducing the duty you pay.
We are hearing of suppliers offering methods to help importers reduce duties - many of these suggestions violate Customs Laws and Regulations.
Please check with us before you take advantage of any suppliers' suggestions to ensure you are in compliance with US Customs.
Customs is closely monitoring imports to catch "transshipped" goods - penalties can be very severe.
Be sure you know and trust your suppliers and that the country of origin indicated for your imported goods is correct.
Simply shipping goods from China to another country does NOT change the country of origin and avoid the duties on Chinese products.
Goods must undergo "substantial transformation" in order to have their country of origin change and the rules on this are quite complex.
Suppliers may offer to sell you products at a discounted price - this is not illegal, but it is critical that you have documentation to prove what you paid for the goods should Customs ask for documentation.

Please remember, if you export products which you previously imported, you may be eligible for duty drawback on many of the tariffs you paid at the time of import. Duty drawback is a complicated process, but we can help you navigate the rules and regulations.