

Adapting to the August Trade Landscape

September 18, 2025



At the date of this publication, policies are evolving.
This presentation is for informational purposes only.

It does not constitute legal advice - please consult with your own legal counsel for such advice.

Do not rely on this information without performing your own research.



Meet our Speakers



Host

Anne Meredith

Sr. Marketing
Analyst
Global Marketing



Panelist

Mark Hartlage

US Small Pack
Compliance
Manager



Panelist

Catherine Mellor

Vice President, Global
Public Affairs
UPS Supply Chain
Solutions



Panelist

Jessica Rosen

Sr. Director of UPS®
Trade Advisory Services
UPS Supply Chain
Solutions



Today's agenda

Trade and Tariff Update: Understanding
August Landscape

1

Compliance and Regulatory Outlook

2

Strategic Response

3

Q&A and Closing Comments

4

ANY QUESTIONS?
Ask our panelists using the
“Q&A” function



UPS Trade Insights

Trade & Tariff Update



Key Milestones – June - July

When country of smelt/cast for Aluminum products is UNKNOWN, country code of “UN” can be declared and a duty of **200%** will applied to aluminum content.

US Customs and FDA updates guidance regarding low value shipments (under \$800) stating that all FDA regulated items must be submitted to the FDA no matter the value.

JP and ID trade deal announced.
IEEPA Reciprocal rates announced:

- Japan **15%**
- Indonesia **19%**

40% IEEPA-Brazil announced with effective date of **Aug 6**

50% Sec 232 on Copper and derivatives with effective date of **Aug 1**

EO* announces suspension De Minimis as of **August 29**
No More Sec 321/ET86
MFN and remedy duty applies
Applied to all countries

June 28

July 6

July 22

July 30

June 30

July 9

July 27

July 31

US-UK and Economic Prosperity deal
10% total with MFN subject to TRQ
10% UK Origin Auto Parts
MFN Tariff on Civil Aircraft, **exempt** from Sec 232 and IEEPA

Reciprocal rates are **extended** until **12:01 AM August 1st**, per EO from July 8

US-EU Deal Announced with **15%** on EU products:
Autos and parts
Pharmaceuticals
Semiconductors

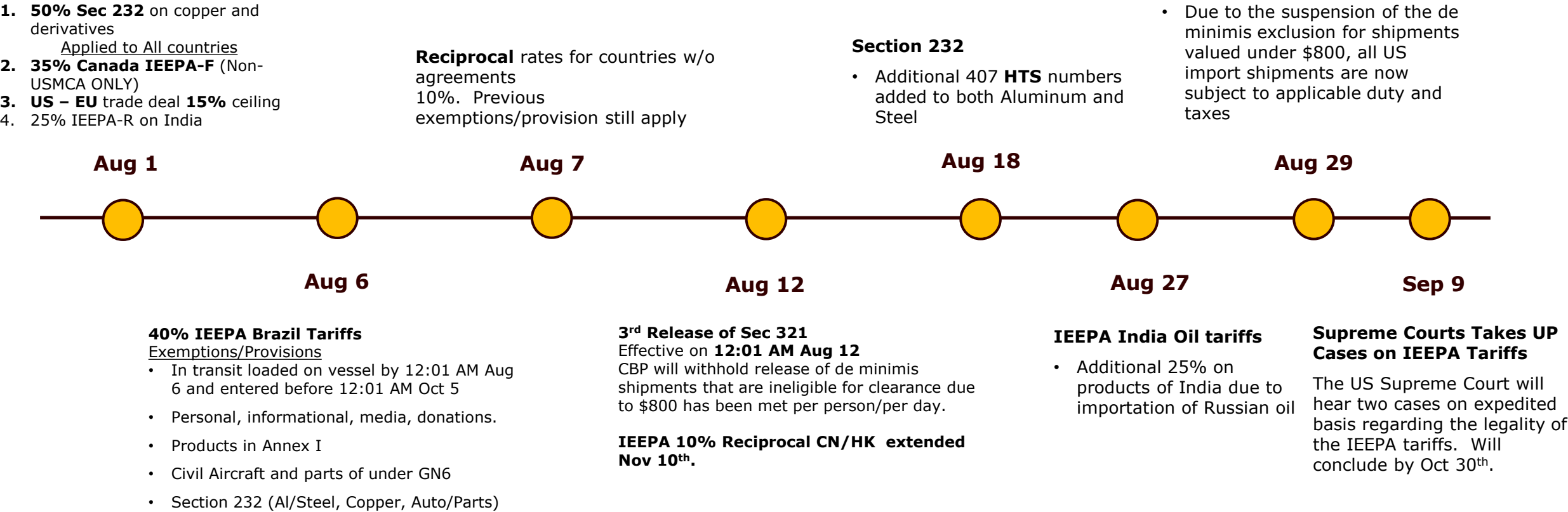
Mexico Trade talks extended by **90 day** past **Aug 1**.

Canada IEEPA Fen. increased to **35%** effective on **Aug 1 for Non-USMCA**

Countries w/o deals, reciprocal rates go into effect on **Aug 6**

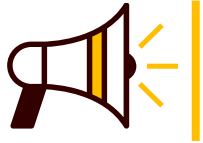
- In transit loaded on vessel by 12:01 AM Aug 6 and entered before 12:01 AM Oct 5

Timeline of Main Events –August/September



*EO – Executive Order

Section 232: Automobile, Auto Parts and Civil Aircraft Parts

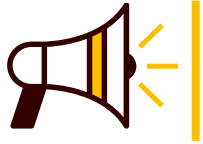


Tariff Scope

- On April 3rd a **25% tariff was imposed on passenger vehicles** (sedans, sport utility vehicles, crossover utility vehicles, minivans and cargo vans).
- On May 3rd, a **25% tariff** was imposed on certain **automobile parts**.
- Qualifying parts with an origin of EU, Japan and South Korea have a reduced Sec 232 tariff due to trade agreement that have been implemented. All other countries remain at the 25% rate for this Section 232 tariff



Section 232: Copper & Copper Derivatives



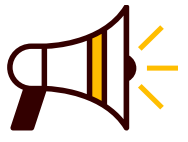
Tariff Scope

- On **August 1st, 2025, a 50% tariff** was placed on semi-finished copper products and the copper derivatives.
- This Sec 232 tariff applies to all countries however may be included on future trade negotiations with specific countries.
- Forms of raw copper are not subject to the Sec 232 tariffs.
- For copper derivatives only the value content of the copper is subject to these Sec 232 tariffs.
- For copper derivatives the non-copper value content may be subject to other tariffs such as IEEPA tariffs.
- Sec 232 copper tariffs are excluded when the products is also subject to the Sec 232 Automobile and Auto parts tariffs.

Source: CSMS 65794272



Section 232: Steel & Aluminum



Tariff Scope

- Steel and aluminum tariffs **increased from 25% to 50% as of June 4, 2025.**
- Aluminum derivatives with unknown cast/smelt origin are also subject to a 200% tariff on the aluminum content. "UN" will be reported as the country of cast/smelt
- Effective August 18, 400+ new HS Codes were added to the existing list of tariffs (household goods, hardware, cosmetics etc.)
- US Customs announced the addition of 407 tariff that are now subject to the SEC 232 Tariff for Steel/Aluminum.

Derivative Product Application¹

- Applies to derivative products made from steel and aluminum.
- Exempt if steel was melted/poured or if aluminum was smelt/cast in the US.

Tariff Calculation²

- 50% tariff applies only to steel/aluminum
- 25% for UK products of steel/aluminum
- Importers must keep a Bill of Material (BOM) for CBP verification.

New Reporting Requirements³

- Report melt/pour (steel) and smelt/cast (aluminum) countries. Keep mill test (steel) and analysis (aluminum) certificates for CBP.
- Invoice must show steel/aluminum value in derivatives—otherwise, full item value may be tariffed.

Source: CSMS (1) 65236645, (2) CSMS 65236374 and (3) CSMS 65340246, 65936570



Tariff Stacking: Determining Dute Rates

Tariff Stacking Scope

On **June 4th, 2025**, US Customs provided clarification on “**tariff stacking**”. Tariff stacking refers to the cumulative application of multiple tariffs on the same product.

Stacking of Tariffs

1. Determine all applicable Section 232 and IEEPA tariff programs.
2. If the Items are subject to Sec 232 Auto/Part tariffs, then no other Sec 232 Copper, Sec 232 Steel/Aluminum or IEEPA 2 tariffs shall be applied to the items. IEEPA 1 CN/HK tariffs are still applicable.
3. If the article is subject to Sec 232 Copper and Copper derivatives then no Sec 232 Steel/Aluminum, IEEPA Canada or IEEPA Mexico tariffs will not apply. IEEPA 1 for CN/HK are still applicable.
 - IEEPA 2 reciprocal tariffs will apply to the non-copper/steel/aluminum content
4. If the article is subject to Sec 232 Steel/Aluminum, then no IEEPA CA or IEEPA MX will apply nor will the IEEPA reciprocal tariffs .
5. USMCA qualifying articles are not subject to the IEEPA 1 Canada/Mexico tariffs.
6. China 301 tariffs, when applicable, are always assessed

Source: CSMS 65236574



Why Country of Origin (COO) Matters More Than Ever

Origin

The importance of COO, Country of Cast/Smelt (Aluminum) and Melt/Pour (Steel) have major impacts on the U.S. Sec 232 and reciprocal tariffs

Tariff rates depend on COO

- Correctly determining a product's country of origin is crucial, as it directly impacts the **amount of duty owed**. This distinction becomes even more significant under measures like **Section 232 tariffs**, which impose additional duties on **aluminum, steel, and related products**.

Origin rules are complex

- Origin isn't just about where a product ships from — it's about where it is **sourced from or where it has undergone substantial transformation**.

Accurate documentation

- Importers must maintain detailed, **five-year documentation** to verify product origin—especially for **aluminum and steel**—proving substantial transformation and specifying **country of cast, smelt, melt, or pour**.



De Minimis Timeline

May 2, 2025

- All products made in China or Hong Kong entering the U.S. are no longer eligible for the de minimis exemption. Any shipment that contains any China or Hong Kong products are now subject to all applicable duty and taxes.

August 12, 2025

- CBP began to enforce de minimis regulations that will only allow \$800 per person per day. Once the \$800 is exceeded each shipment for that day will be fully dutiable.

August 29, 2025

- US Customs has ended the de minimis duty-free rule for all countries, meaning all U.S. imports, regardless of value, are now subject to tariffs like IEEPA, CN 301, Section 232, and others.

Background

- U.S. Customs has made substantial changes to the de minimis low value clearance process.
- These changes are driven by the large increase of e-commerce shipments. In 2015, customs cleared nearly 139 million de minimis shipments.
- In 2024, customs cleared over 1.36 billion shipments.
- This increased volume has now created a higher risk, from an economic, health and safety perspective.



U.S. IEEPA Reciprocal Tariffs

Economy	Tariff Rate	Section 232
Canada	No IEEPA Reciprocal Tariffs. IEEPA 1 tariff of 35% applies unless eligible for USMCA	Copper – 50% Steel & Aluminum – 50% Auto – 25%
Mexico	No IEEPA Reciprocal Tariffs. IEEPA 1 Tariff of 25% applies unless eligible for USMCA	
EU	15% ceiling inclusive of MFN. If MFN is more than 15%, MFN rate will apply. If MFN is below 15%, IEEPA Reciprocal 15% rate will apply	Copper – 50% Steel & Alum – 50% Auto – 15%
South Korea	15%	Copper – 50% Steel & Alum – 50% Auto – 15%
Japan	15% ceiling inclusive of MFN. If MFN is more than 15%, MFN rate will apply. If MFN is below 15%, IEEPA Reciprocal 15% rate will apply.	Copper – 50% Steel & Alum – 50% Auto – 15%
Vietnam	20%	Copper – 50% Steel & Alum – 50% Auto – 25%
Philippines	19%	
Australia	10%	
Brazil	50% (10% Reciprocal + 40% IEEPA)	
India	50% (25% Reciprocal + 25% IEEPA Russian Oil)	
China	20% IEEPA 1 and 10% IEEPA Reciprocal	



- New Reciprocal Tariffs (Select Markets)
- Announced August 1
- Effective Aug 7, 2025



Notable Trade Deals and Country Specific IEEPA Tariffs



U.S. / European Trade Agreement

On **August 21, 2025**, the U.S. and EU agreed on a trade framework where tariffs on EU imports will be either **15% or the MFN rate—whichever is higher.**



Japan Agreement

On **July 22, 2025**, the U.S. and Japan set a trade deal where tariffs follow the EU model—**15% minimum or match Japan's MFN rate if it's higher.**



Brazil IEEPA Tariffs

Starting **August 8, 2025**, the U.S. will impose a 40% tariff—on top of an existing 10%—citing human rights and trade deficit concerns, with **no set end date.**



India IEEPA Tariffs

On **August 6, 2025**, the U.S. announced a **25% tariff on Russian oil**—effective **August 27**—raising India's total IEEPA tariff to **50%, with no set end date.**

FDA Regulated Products

FDA Regulations:

- On July 9th, the FDA updated their guidance regarding low-value de minimis shipments.
- All de minimis shipments of FDA regulated products, regardless of quantity and value are subject to the same regulatory requirements.

What's Changed:

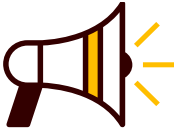
- All prior exemptions for shipments of low-value, de minimis FDA-regulated products are now revoked—low value de minimis shipments can no longer be released by Customs and Border Patrol (CBP) without FDA notification and review.

What is affected?

Food, cosmetics, dinnerware, radiation-emitting electronics and biological samples are the main products affected by this change.



FDA Regulated Products

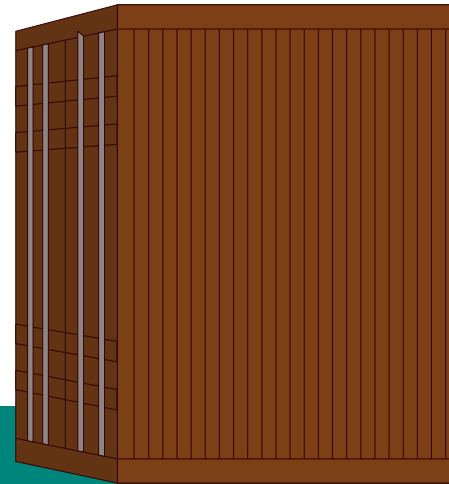


Food Items:

- HTS Chapters 7-23 and 25
- All items should be labelled in English
- A commercial invoice that includes complete description, country of manufacture and value for each item must be written in English.
- Name and address of each manufacturer.
- Bioterrorism Act (BTA) Prior Notice number for each item (UPS can provide for additional cost).
- Data Universal Numbering System (DUNS) Number for Importer, if the importer is a business.

Cosmetics:

- HTS Chapters: 33, 3401, 9616
- All items should be labelled in English.
- A commercial invoice that includes complete description, country of manufacture and value for each item must be written in English.
- Name and address of each manufacturer.
- For more information:
 - [Cosmetics Importers | FDA](#)



FDA Regulated Products

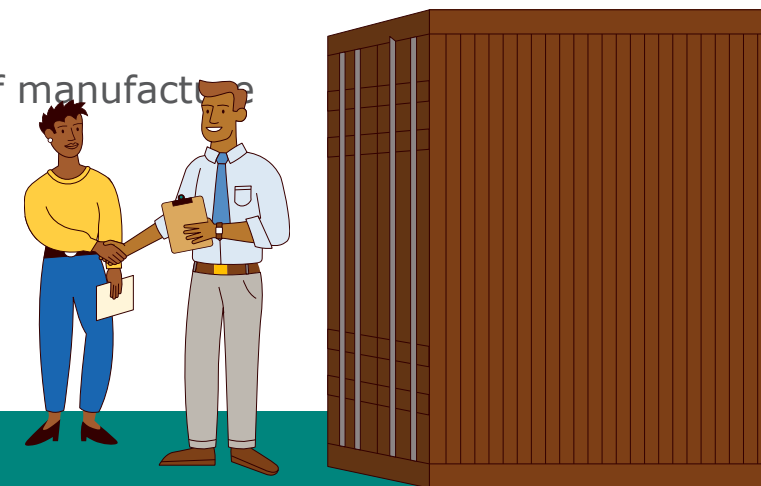


Dinnerware:

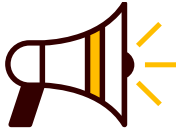
- HTS Numbers: 3924, 4199, 4823, 6911, 6912, 7010, 7013, 7323, 7418, 7615, 7907, 8007, 8208, 8210, 8211, 8215, 8309, 9617
- All items should be labelled in English.
- A commercial invoice that includes complete description, country of manufacture and value for each item must be written in English.
- Name and address of each manufacturer.

Radiation-Emitting Electronics Importation into the US:

- HTS Numbers: 9022.12, 9022.13, 9022.14, 9022.19, 9022.30, 9022.90, 8528.72, 8540.11
- All items should be labelled in English.
- A commercial invoice that includes complete description, country of manufacture and value for each item must be written in English.
- Name and address of each manufacturer.
- Completed FDA Form 2877, if required.



FDA Regulated Products



Biological Samples:

- HTS Chapter: 30
- All items should be labelled in English.
- A commercial invoice that includes complete description, country of manufacture and value for each item must be written in English.
- Name and address of each manufacturer.
- Intended End Use of product listed on invoice
- If the biological product is to be used in a pharmaceutical, medical device, or vaccine, additional importation documentation may be required.

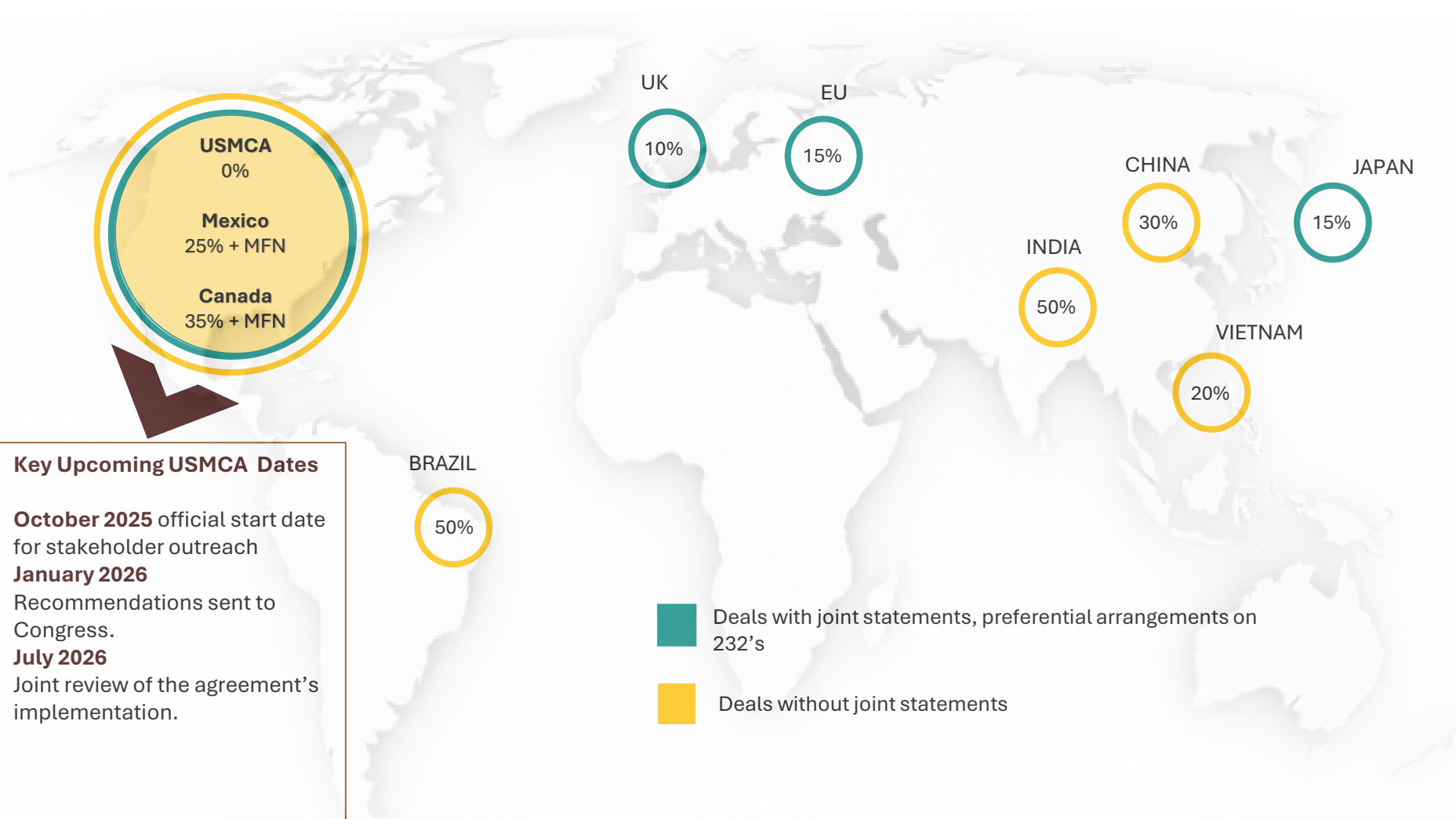




Compliance and Regulatory Update

U.S. Tariffs Still Ahead

Pending changes in current tariff policies



Additional Section 232 Tariffs

- Semiconductors
- Pharmaceuticals
- Lumber
- Critical Minerals
- Trucks
- Aircraft
- Unmanned Aircraft Systems
- Polysilicon and Derivatives

Tariff Litigation Update

The Government has appealed to the Supreme Court for a ruling on the IEEPA tariffs; final decisions expected late 2025 or spring 2026.

Key Case

Federal Circuit Case:

The Federal Circuit Court of Appeals issued its ruling affirming the decision of the Court of International Trade that **IEEPA** does not authorize the **scope and breadth of tariffs imposed by the President**.

- Decided 7-4
- The decision is stayed until October 14
- The Government appealed the decision to the Supreme Court on September 3

Timeline for the Supreme Court

- **Expedited Timeline:**
 - Oral Arguments November 2025
 - **Decision before end of year 2025**
- **Typical Timeline:**
 - Oral Arguments March June 2026
 - **Decision June 2026**

Implications

- Refunds will not become available unless and until there is a **final court decision** holding the tariffs are unlawful.
- **U.S. importers of record** that directly paid the tariffs may be eligible to **seek a refund** should the ruling oppose tariffs.
- The path to refund would typically be via an **administrative process** made available through CBP.
- The **Supreme Court** could rule that the tariffs are unlawful but no refund is owed.



Why it Matters:

If the Supreme Court rules that the Trump IEEPA tariffs are unlawful, the tariff rates across countries could return to previous MFN rates, with de minimis on goods potentially restored, at least temporarily.



Strategic Responses

Practical steps you can
implement now to stay ahead



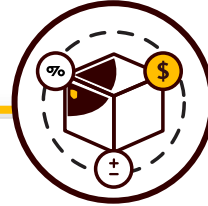
Forces Shaping Supply Chains Today

Insights on delays, freight rates, and increased scrutiny impacting your business



Shipping Delays & Congestions

- Ocean container rates are falling, creating **feeder vessel shortages in Asia** ¹
- **Labor constraints** creating slower container handling and clearance²



Freight Costs

- Lower freight rates are creating **operational inefficiencies**
- **Ground parcel delivery costs remain elevated**, driven by fuel surcharges and carrier rate adjustments³
- **For medical items, costs remain elevated** due to air freight reliance, regulatory compliance, and urgency of supply



Regulatory & Compliance

- **Enhanced safety standards** are creating increased compliance costs and delays⁴
- As **sustainable & ethical sourcing gain momentum**, sourcing and inventory planning becomes more complex

¹[Reuters](#), ²[HealthIndustryDistributorsAssociation](#), ³[SupplyChainDive](#), ⁴[InternationalOrganizationForStandardization](#), ⁵[FDA](#)



How to Spot Mistakes Early & Most Frequent Areas of Concern

- Ensure you have a **documented process** to communicate with procurement and suppliers.
- Incorrect **HTS Classification**
- **Missing or incorrect documentation** (e.g., BOM, mill test certificates)
- Failure to report **smelt/cast/melt/pour origins**
- Misuse of **de minimis exemptions**
- Non-compliance with **FDA import Rules**



Shift into Actionable
Advantages

Strong Governance and Oversight Boost Success



- Clear **ownership and accountability** (e.g., compliance manager or team)



- **Executive support** and cross-functional alignment



- Documented **import/export compliance policies**, including record retention



- Regular **risk assessments** (e.g., tariff exposure, country sanctions)



- **Ongoing training** for staff involved in trade operations



- Stay current with **changes in tariffs, trade agreements, and customs rules**



Transform your Supply Chain Strategy

With the right mitigation tactics, trade can become a competitive advantage



CURRENT STATE

- Lacking Global Automation Strategy
- Complex Customs Programs
- Too many Brokers, Agent, F/F & Rates
- Customs and Supply Chain Compliance Risk
- Segregation of procurement and oversight globally
- Absence of innovation and adaptation



FUTURE STATE

- Global Sourcing
- Uniform Management of Customs Processes
- Reduced number of brokers & F/F
- Centralized Governance of Brokers and Freight Forwarders
- Centralized Collection of Global Data
- Automation / AI technology



Optimize your Supply Chain with UPS

Stay ahead of evolving customs trade regulations and ship confidently with UPS



Customs Brokerage Services

Enabling seamless clearance, compliance, and minimal delays, backed by 100 years of experience



UPS® Trade Advisory Services

Navigate shifting tariffs, optimize duty spend, classify shipments accurately, and promote your ongoing compliance to help your bottom line

UPS Customs Brokerage Advanced Consolidation

Lower your Merchandise Processing Fees through smart consolidation

UPS Trade Direct® Tool

Simplify shipping: consolidate freight and streamline clearance

FTZs / Duty Drawback

Optimize costs and efficiency with UPS® Zone Solutions FTZ support.

UPS® Global Checkout

Transparent shipping that keeps customers coming back.

World Ease® Service

Streamline costs by reducing clearance and administrative fees

Healthcare Complex Shipping

Cold chain solutions for temperature-sensitive healthcare shipments

Resources

Contact Information

UPS Available Resources



Global Trade Advisory Services/ Duty Drawback

UPS® Trade Advisory Services (TAS):
Tradeadvisoryservices@ups.com

Foreign Trade Zones

UPS Zone Solutions:
upszonesolutions@ups.com

General Questions/FAQs

ups.com/supplychain

Market Updates

[Freight and Logistics News and Market Updates | UPS Supply Chain Solutions - United States](#)

Customs Available Resources



Tariff Resources

[Cargo Systems Messaging Service | U.S. Customs and Border Protection](#)

ACH Setup Process

<http://bit.ly/CBP-ACH>

White House Fact Sheet

[Fact Sheets – The White House](#)

CBP FAQs

[Trade Remedies | U.S. Customs and Border Protection](#)



THANK YOU

Food Drug Administration (FDA) Resources



Food

For more information:

[Importing Food Products into the United States | FDA](#)
[Guidance for Industry: What You Need to Know About Prior Notice of Imported Food Shipments | FDA](#)
[Importing Food Products into the United States | FDA](#)
[Prior Notice of Imported Foods | FDA](#)
[FSMA Final Rule on Foreign Supplier Verification Programs \(FSVP\) for Importers of Food for Humans and Animals | FDA](#)

[Claim Your Free D-U-N-S Number - Dun & Bradstreet](#)



Cosmetics

For more information:

- [Cosmetics Importers | FDA](#)
- [Code of Federal Regulations Sections for Cosmetics Labeling \(CFR Title 21, Part 701\) | FDA](#)
- [Is It a Cosmetic, a Drug, or Both? \(Or Is It Soap?\) | FDA](#)



Biological Samples

For more information:

[Guidance, Compliance & Regulatory Information \(Biologics\) | FDA](#)
[Industry \(Biologics\) | FDA](#)
[Importing Biologics and CBER Regulated Products | FDA](#)
[Compliance Program Guidance Manual, Imported CBER-Regulated Products, 7342.007](#)

Radiation-Emitting Electronics Importation into the US

[A-Z List of Regulated Products & Procedures | FDA](#)

For more information:

- [Importing Radiation-Emitting Electronic Products | FDA](#)
- [Download Radiation-Emitting Electronic Product Codes Files | FDA](#)
- [Radiological Health Reengineering PRODUCTS AND OVERLAP OF LAWS.PDF](#) (Examples of Radiation-Emitting Electronics)
- [Form FDA-2877, Declaration for Imported Electronic Products Subject to Radiation Control Standards](#)