CLIENT ALERTS & INSIGHTS

Reciprocal Tariff Q&A - What the "Pause" Means for Supply Chains

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Today the White House released written details for its modification of the "Reciprocal Tariff" program originally announced on April 2, 2025. This most recent Executive Order (the "E.O.") issued on April 10, 2025, provides that imports from China, Hong Kong, and Macau are subject to additional 125% reciprocal tariffs while imports from most other nations are now subject to additional 10% universal tariffs. This modification also changes certain de minimis and low value postal shipments. High-impact questions and answers are shown below.

What Happens to Reciprocal Duties on Countries Other Than China?

The universal 10% duty applies to imported goods with origins from most (but not all) countries other than China, Hong Kong, and Macau. This essentially applies the baseline universal tariff to the countries that were slated to receive higher reciprocal tariffs. The effective date is April 10, 2025, and the "suspension" will continue for 90 days until July 9, 2025. This 10% duty burden is in addition to all other applicable tariffs. For many importers there will be a cumulative effect yielding higher total duties beyond 10%, including ordinary duties that would otherwise apply. Also, carve-outs of imported goods subject to certain other tariff programs were expressly provided in the tariff announced under E.O. 14257 on April 2, 2025. Those carve-outs remain unchanged.

What Happens to Reciprocal Duties on China and the PRC Region?

A reciprocal 125% duty applies to imported goods with origins in China, Hong Kong, or Macau. This rate increased in response to retaliation by China (the United States first issued at 34%, then raised to 84%, and now raises to 125%). The effective date is April 10, 2025. This 125% duty burden is effective in addition to all other applicable tariffs. As with the universal tariffs, there can be a cumulative effect yielding higher total duties.

What Happens to De Minimis and Low Value Postal Shipments?

De minimis imports from most countries remain unchanged by today's EO. Additional duties on de minimis imports from China, Hong, Kong, and Macau have increased. De minimis imports are now subject to additional duties of 120% (the United States first issued at 30%, then raised to 90%, and now raises to 120%). The E.O. also increases the per-item additional duties applicable to low value postal shipments from $75 to $100 effective May 2, 2025, and continuing until June 1, 2025. An additional increase is planned for June 1, 2025, which will raise the per-item duty to $200 on postal items.

Reciprocal tariffs were originally announced in full detail on April 2, 2025. Our team's original client on the tangible impact for supply chains and what to do in response is available HERE

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