

Executive Orders Issued Implementing Additional Duties for Canada, Mexico and China

President Donald Trump signed on Feb. 1 an executive order setting a 25% tariff on most goods from [Canada](#), but a 10% tariff on "energy goods."

Hours after releasing an executive order imposing a 25% tariff on Canadian goods and a 10% tariff on energy goods from Canada, two additional orders came from the White House on Feb. 1: one setting a 10% tariff on goods from [China](#) and the other a 25% tariff on goods from [Mexico](#).

The duties on Canada, China and Mexico will take effect at 12:01 a.m. ET on Feb. 4, though goods in transit as of 12:01 a.m. ET on Feb. 1 will not be subject to the duties.

UPDATE 2/3/2025 10:38am

Tariff on Goods from Mexico have been suspended for 30 days in exchange for Mexican Troops at the border.

No drawback on goods subject to the tariffs will be allowed

No duty-free de minimis treatment (Section 321 and Type 86 Entries, shipments valued under \$800, entered duty free).

The executive orders do not contain any exclusion mechanism.

The above new duties are in addition to any other existing duties - general rates of duty and duty remedies such as Section 301 rates of duty for Chinese origin goods.

While it has not been addressed by the Executive Order or by CBP, it is the assumption of the trade community that duty free treatment under USMCA will still be applied to the general rate of duty. However, USMCA will not cover the newly issued duty remedy covered under the executive orders. We will advise you with certainty once CBP issues their formal notice on Monday February 3, 2025.

Historically, goods classifiable in Chapter 98, (Temporary Importation Bond, Repaired Goods, US Goods Returned) were not affected by trade remedy tariffs. Details have not been released by CBP advising whether or not these duty free provisions will be affected.

Please note that all duties are to be paid by the Importer of Record. This is the party that has a US Customs power of attorney on file with CB Customs.

In many cases, this is the Canadian Exporter / Seller (Non-resident Importer). We are unable to bill the duties to a US customer without having an account set up in our system which requires a signed CB Customs power of attorney.

If an account set up is required, please contact our office.

- **Email:** info@cbcustomsbrokerage.com

- **Office Phone:** [1-855-553-5083](tel:1-855-553-5083)

We will keep you informed of any updates.