

SECTION 232 PREFERENTIAL TARIFFS FOR NON-SEMICONDUCTOR IMPORTS TO THE UNITED STATES

經濟部國際貿易署「我輸美關稅 - 非半導體232關稅優惠」線上說明會

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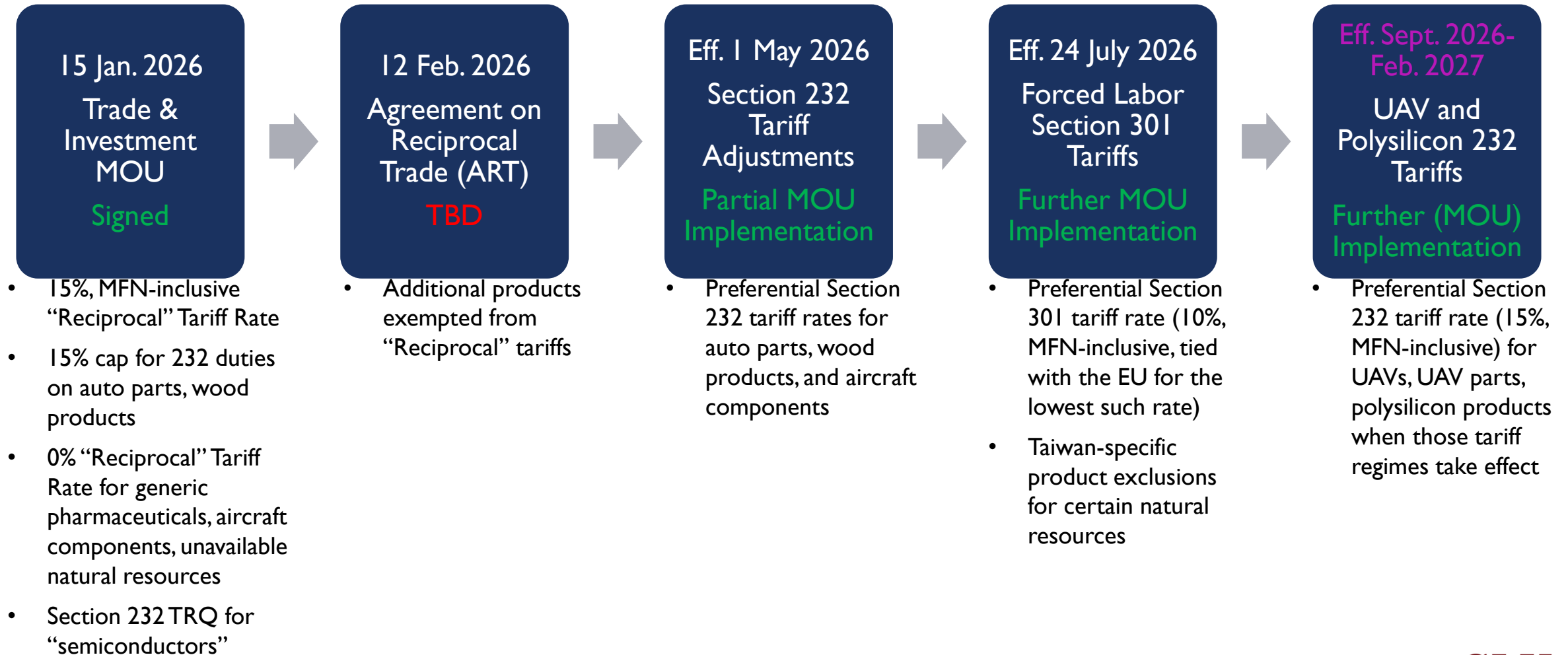
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Collectively, your presentation team has decades of experience advising companies and governments on U.S. trade compliance.

TOPIC AREAS

- Taiwan-US Trade: Recent Developments and Current Status
- Background on the U.S. Tariff System
- Increasing Use of “Special” Tariffs
- Types of Tariff Exclusions
- How Importers Use Exclusions
- Best Practices for Minimizing Tariff Liability While Maintaining Compliance
- Practical Tips for Making CBP’s Systems User-Friendly
- Q&A

WHERE DO THINGS STAND IN TAIWAN-U.S. TRADE?



PREVAILING “SPECIAL” TARIFF RATES

Tariff Regime(s)	Effective Date	General Rate*	Taiwan Rate
Section 232 Polysilicon	4 Dec. 2026	15%	MFN-inclusive 15%
Section 232 Drones	UAVs: 3 Sept. 2026 Parts: 9 Feb. 2027	25%-100%	MFN-inclusive 15%
Section 232 Pharmaceuticals	Tranche 1: 31 July 2026 Tranche 2: 29 Sept. 2026	Patented Prods. 20-100%, Generic Prods. Excluded	Same
Section 301 “Forced Labor”	24 July 2026	12.5% to MFN-inclusive 10%	MFN-inclusive 10%, country-specific product exclusions
Section 232 Semiconductors	15 Jan. 2026	25%, but very narrowly scoped, for now	Same, for now
Section 232 Heavy Duty Trucks/Parts	1 Nov. 2025	25% MHDV/Ps, 10% Buses	Same
Section 232 Wood Products	14 Oct. 2025 Phased Increase: 1 Jan. 2027	10% on lumber; 25% on certain derivative wood products	Same on lumber; 15% on certain derivative wood products
Section 232 Auto/Light Truck Parts	Auto Parts: 3 May 2025	25%	15%
Section 232 Steel, Aluminum, Copper	Steel: 23 Mar. 2018 Aluminum: 1 June 2018 Copper: 1 Aug. 2025	25% on certain derivatives; 50% on metal products and other derivatives	Same, but aircraft components excluded

*These are general summaries. For most tariff regimes, additional exceptions to the “general rate” set forth in this table also exist.



Section 301 “Forced Labor” tariffs do not “stack” on currently-effective Section 232 tariffs (9903.05.90)

WHAT IS YET TO COME?

Expected “Special” Tariff Developments Most Relevant to Taiwan

	Section 301	Section 232
	• Results of “Overcapacity” Investigation (Due March 2027, but likely sooner) • Most likely landing place is a total MFN-inclusive rate of 15%, combining the “Forced Labor” and “Overcapacity” tariffs • Additional product exclusions pursuant to ART, if ratified	• Industrial Machinery (Est. 28 Aug.) • Medical Devices & Eqpt. (Est. 28 Aug.) • Semiconductor Tariffs, including Preferential Tariff Rate Quota for Taiwan (Timing Unknown)

HARMONIZED TARIFF SCHEDULE OF THE UNITED STATES (HTSUS)

- Imported merchandise must be classified according to the HTSUS
 - HTSUS is part of the international “Harmonized System”
 - Classification determines duty rate (unless Free Trade Agreement or Program applies)
- HTSUS is divided into 99 chapters
 - Chapters 1-97 – Tangible goods
 - Chapter 98 – Special “Process” Classifications, e.g., U.S. goods returned, other products returned within 3 years after export, articles exported for repair or alteration
 - Chapter 99 – Special Tariff Provisions
- All products have a classification in Chapters 1-97; some products also have a classification in Chapter 98 or 99



Ch. 99 “special” tariffs are generally added to standard MFN rates, but some are formulated as MFN-inclusive

HARMONIZED TARIFF SCHEDULE OF THE UNITED STATES

Harmonized Tariff Schedule of the United States Revision 7 (2024)

Annotated for Statistical Reporting Purposes

XVI
85-12

Heading/ Subheading	Stat. Suf- fix	Article Description	Unit of Quantity	Rates of Duty		2
				1		
				General	Special	
8501 (con.)		Electric motors and generators (excluding generating sets): (con.)				
8501.51		Other AC motors, multi-phase:				
8501.51.20		Of an output not exceeding 750 W:				
		Exceeding 37.5 W but not exceeding 74.6 W.....		2.5% ^{2/}	Free (A, AU, B, BH, CL, CO, D, E, IL, JO, JP, KR, MA, OM, P, PA, PE, S, SG)	35%
	20	Gear motors.....	No.			
	40	Other.....	No.			
8501.51.40		Exceeding 74.6 W but not exceeding 735 W.....		2.5% ^{2/}	Free (A, AU, B, BH, CL, CO, D, E, IL, JO, JP, KR, MA, OM, P, PA, PE, S, SG)	35%
	20	Gear motors.....	No.			
	40	Other ^{3/}	No.			
8501.51.50		Exceeding 735 W but under 746 W.....		3.3% ^{2/}	Free (A, AU, B, BH, C, CL, CO, D, E, IL, JO, JP, KR, MA, OM, P, PA, PE, S, SG)	35%
	20	Gear motors.....	No.			
	40	Other.....	No.			

- Terms of the headings and subheadings (first column) contain the 4-digit, 6-digit, and 8-digit numbers assigned to each class of goods.
- Statistical Suffix (second column) contains 10-digit statistical-reporting numbers
- Article Description (third column) describes goods from the previous two columns
- Rates of Duty columns
 - General: most-favored-nation rates
 - Special: rates of duty under one or more special tariff treatment programs
 - Column 2: Higher rates required for countries that do not have normal trade relations with the United States

TARIFF CLASSIFICATION

- Nearly all full classification numbers consist of ten digits
 - Within each 2-digit “chapter” → multiple 4-digit “headings”
 - First six digits are from the Harmonized System and thus should be the same as other countries using the system
 - Seventh and eighth digits: US subdivisions
 - Ninth and tenth digits: statistical subdivisions

Electric motors and generators (excluding generating sets): Other AC motors, multi-phase: Of an output not exceeding 750 W: Exceeding 74.6 W but not exceeding 735 W: Gear motors

8501.51.4020

Internationally harmonized Country-specific

HTSUS CHAPTER 99 – “SPECIAL” TARIFFS – PAST

■ **International Emergency Economic Powers Act (IEEPA)**

- Invoked stages, beginning in February 2025, to impose tariffs on goods from nearly every country.
- Overturned by Supreme Court in February 2026. *Learning Resources* held that IEEPA does not empower the President to impose tariffs.
- IEEPA tariff collections halted on new entries, but refunds of past duty collections are incomplete.

■ **Section 122 of the Trade Act of 1974**

- Invoked for the first time as a temporary stand-in for IEEPA, at a rate of 10%, (24 Feb. 2026 → 24 July 2026).
- Statutorily capped at 150 days and 15% tariffs (or quotas). May return, but limited appeal.
- Court challenge pending before the U.S. Court of Appeals for the Federal Circuit (*Burlap & Barrel*).

HTSUS CHAPTER 99 – “SPECIAL” TARIFFS – PRESENT

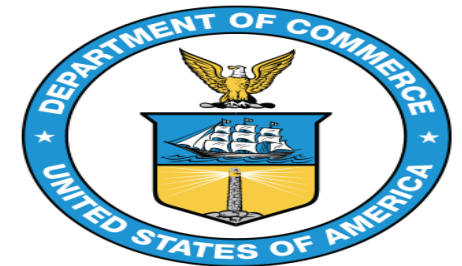
■ Section 301 of the Trade Act of 1974 (USTR)

- Allows the U.S. Trade Representative to investigate and respond to unfair foreign trade practices
- Tariffs on products of China since 2018. Survived *HMTX* court challenge.
- Most recent addition, Forced Labor, effective 24 July 2026, already challenged in court (importers, plus states)
- Remaining “overcapacity” investigation still pending.
- Other investigations or actions targeting Brazil, Germany, Nicaragua, and Vietnam



■ Section 232 of the Trade Expansion Act of 1962 (Commerce)

- Allows the President to impose tariffs on imports that threaten national security
- Product-specific, longstanding, and still in force (E.g. steel and aluminum)
- New actions since 2025: autos & parts, wood products, copper, pharmaceuticals, semiconductors, polysilicon, drones
- More to come: industrial machinery, medical devices, wind turbines, aircraft & parts, critical minerals
- *Algonquin* (1976) and *Transpacific* (2022) precedents



HTSUS CHAPTER 99 – “SPECIAL” TARIFFS – PRESENT

- **Section 338 of the Tariff Act of 1930 (President)**

- No public process. No investigation required. Effectuated by Presidential Proclamation.
- Requires discrimination against U.S. commerce by a foreign country
- Tariffs up to 50% of the product's value, unlimited duration, possible 30-day waiting period
- Never used in the modern era, until recent threat vs. Canada



- **For the most part Section 232, 301, 338 tariffs do not stack, but that could happen**

- **Importers often need to identify the correct HTSUS code under multiple regimes**

- **E.g., for a non-Taiwanese automobile part :**
 - 7320.20.10 (Ordinary HTSUS Duty Classification)
 - 9903.94.05 (Section 232 auto parts duties apply)
 - 9903.05.90 (Section 301 duties do not apply)

TYPES OF TARIFF EXCLUSIONS

- Product-Based Exclusions - Same product, all countries

9903.05.86	Articles provided for in subdivision (b) of U.S. note 52 to this subchapter	The duty provided in the applicable subheading	The duty provided in the applicable subheading	The duty provided in the applicable subheading
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(b) As provided in heading 9903.05.86, the duties imposed by headings 9903.05.20–9903.05.84 shall not apply to articles that are classifiable in the following provisions of the HTSUS:



Procedures for seeking new product exclusions from Section 232 steel and aluminum tariffs were eliminated in February 2025 and all then-existing product exclusions expired or were rescinded.

TYPES OF TARIFF EXCLUSIONS

- Country Exclusions – Products of only certain countries

9903.06.14	Articles the product of Taiwan, as provided for in subdivision (j)(10)(i) of U.S. note 52 to this subchapter	The duty provided in the applicable subheading	The duty provided in the applicable subheading	The duty provided in the applicable subheading
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(10)(i) As provided in heading 9903.06.14, the duties imposed by headings 9903.05.75–9903.05.76 shall not apply to articles the product of Taiwan that are classifiable in the following provisions of the HTSUS:

- Negotiation ≠ Implementation

TYPES OF TARIFF EXCLUSIONS

- Partial Value Exclusions – Same product, all countries, but only in part

Proclamation 10947 of June 3, 2025

(6) Notwithstanding any prior proclamation or Executive Order, the non-aluminum, non-steel content of all aluminum and steel articles and derivative articles shall be subject to tariffs pursuant to Executive Order 14257 of April 2, 2025 (Regulating Imports With a Reciprocal Tariff To Rectify Trade Practices That Contribute to Large and Persistent Annual United States Goods Trade Deficits), as amended, and any other applicable tariffs. The additional *ad valorem* duties described in clause 1 and clause 7 of this proclamation shall apply only to the steel content of articles in Chapter 73 of the HTSUS and only to the aluminum content of articles in Chapter 76 of the HTSUS. U.S. Customs and Border Protection (CBP) shall issue

- Used in the past under Section 232

HOW TO USE EXCLUSIONS – GENERAL RESOURCES

- Cargo Systems Messaging Service (CSMS)
 - Practical guidance on how to report entries and which HTS codes to use
 - [Link to recent Taiwan example](#)
 - Good starting point, but should cross-check against the most current version of the HTSUS
 - [Link to HTSUS Homepage](#)



U.S. Customs and Border Protection

Cargo Systems Messaging Service

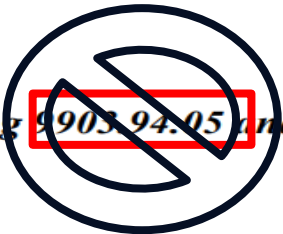
**CSMS # 68762890 - GUIDANCE: Implementation of Certain
Tariff-Related Elements of the Trade and Security Agreement
Between the Taipei Economic and Cultural Representative Office
and the American Institute in Taiwan**

HOW TO USE EXCLUSIONS – AUTOMOTIVE PART EXAMPLE

7320.20.1000 -- Springs and leaves for springs, of iron or steel: Helical springs: Suitable for motor-vehicle suspension

AUTOMOBILE PARTS HTS LIST

U.S. note 33 to subchapter III of chapter 99 subdivision (g) heading 9903.94.05 and (h) heading 9903.94.06



4009.12.0020	4009.22.0020	4009.32.0020
4009.42.0020	4011.10.10	4011.10.50
4011.20.10	4012.19.40	4012.19.80
4012.20.60	4013.10.0010	4013.10.0020
4016.99.6010	7007.21.51	7009.10.00
7320.10	7320.20.10	8301.20.00
8302.10.30	8302.30	8407.31.00
8407.32	8407.33	8407.34
8408.20.20	8409.91.1040	8409.99.1040
8413.30.10	8413.30.90	8413.91.10
8413.91.9010	8414.30.8030	8414.59.30

HOW TO USE EXCLUSIONS – AUTOMOTIVE PART EXAMPLE

Implementing Certain Tariff-Related Elements of a Trade and Security Agreement Between the American Institute in Taiwan and the Taipei Economic and Cultural Representative Office in the United States

9903.94.67

Parts of passenger vehicles and light trucks that are products of Taiwan as provided for in subdivisions (g) and (u) of U.S. note 33 to this subchapter, with an ad valorem (or ad valorem equivalent as provided for in subdivision (m) of U.S. note 33 to this subchapter) rate of duty under column 1—General or column 1—Special less than 15 percent.

HOW TO USE EXCLUSIONS – AUTOMOTIVE PART EXAMPLE

7320.20.1000 -- Springs and leaves for springs, of iron or steel: Helical springs: Suitable for motor-vehicle suspension

CBP FORM 7501 ENTRY SUMMARY

31. Line No.	32. Description of Merchandise			36. A. Entered Value B. CHGS C. Relationship	37. A. HTSUS Rate B. AD/CVD Rate C. IRC Rate D. Visa Number	38. Duty and IR Tax	
	33. A. HTSUS No. B. AD/CVD No.	34. A. Gross Weight B. Manifest Qty.	35. Net Quantity in HTSUS Units			Dollars	Cents
1	7320.20.1000	35 kg	1	100	3.2%	\$3.20	
	9903.94.67				11.8%	\$11.80	

HOW TO USE EXCLUSIONS – AUTOMOTIVE PART EXAMPLE

■ Self-Declaration Procedures for Automobile Parts

- Proclamations 10925 and 10984 established a rebate mechanism that helps offset Section 232 tariff payments on imported automobile parts.
- Technically speaking, the program is available to U.S. manufacturers of automobiles, light trucks, medium and heavy duty vehicles, and engines of the foregoing vehicles. For these manufacturers, Commerce will determine the offset amount, which is intended to equal 3.75% of the aggregate value of, e.g., automobiles assembled by that manufacturer in the United States.
- The U.S. manufacturer may authorize other importers of record to use the manufacturer's offset amount against Section 232 tariff liability.
- The U.S. manufacturer must transmit any importer "authorizations" to Commerce, which will provide an offset license number to CBP for administration of the offsets.
- **Importers of parts of these vehicles or their engines should contact their U.S. manufacturer to discuss "authorization" to offset Section 232 liability.**

HOW TO USE EXCLUSIONS – AIRCRAFT PART

8302.10.6090 -- Base metal mountings, fittings and similar articles suitable for furniture, doors, staircases, windows, blinds, coachwork, saddlery, trunks, chests, caskets or the like; base metal hat racks, hat-pegs, brackets and similar fixtures; castors with mountings of base metal; automatic door closers of base metal; and base metal parts thereof: Hinges, and parts thereof: Other: Other

(vii) Derivative steel articles:

8215.99.05	8215.99.10	8215.99.15	8215.99.20
8215.99.22	8215.99.24	8215.99.26	8215.99.30
8215.99.35	8215.99.40	8215.99.45	8215.99.50
8302.10.60	8302.41.30	8302.41.60	8302.42.30
8302.49.60	8305.20.00	8307.10.60	8309.90.0080
8403.10.00	8406.90.40	8407.90.10	8407.90.90
8410.90.00	8411.81.80	8412.21.00	8412.29.80

HOW TO USE EXCLUSIONS – AIRCRAFT PART

8302.10.6090 -- Base metal mountings, fittings and similar articles suitable for furniture, doors, staircases, windows, blinds, coachwork, saddlery, trunks, chests, caskets or the like; base metal hat racks, hat-pegs, brackets and similar fixtures; castors with mountings of base metal; automatic door closers of base metal; and base metal parts thereof: Hinges, and parts thereof: Other: Other

 9903.82.09	Except as provided for in headings 9903.82.16 and 9903.85.68, articles of copper and derivative aluminum and steel articles, as provided for in subdivisions (c)(vi)–(viii) of U.S. note 16 to this subchapter. . . .	The duty provided in the applicable subheading + 25%	The duty provided in the applicable subheading + 25%	The duty provided in the applicable subheading + 25%
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HOW TO USE EXCLUSIONS – AIRCRAFT PART

8302.10.6090 -- Base metal mountings, fittings and similar articles suitable for furniture, doors, staircases, windows, blinds, coachwork, saddlery, trunks, chests, caskets or the like; base metal hat racks, hat-pegs, brackets and similar fixtures; castors with mountings of base metal; automatic door closers of base metal; and base metal parts thereof: Hinges, and parts thereof: Other: Other

(vi) Derivative aluminum articles:

7615.10.2015	7615.10.2025	7615.10.3015	7615.10.3025
7615.10.5020	7615.10.5040	7615.10.7125	7615.10.7130
7615.10.7155	7615.10.7180	7615.10.91	7615.20.00
7616.99.10	7616.99.5130	7616.99.5140	8302.10.30
8302.10.60	8302.20.00	8302.30.3010	8302.30.3060
8302.41.30	8302.41.6015	8302.41.6045	8302.41.6050
8302.41.6080	8302.42.30	8302.49.60	8302.50.00

HOW TO USE EXCLUSIONS – AIRCRAFT PART

8302.10.6090 -- Base metal mountings, fittings and similar articles suitable for furniture, doors, staircases, windows, blinds, coachwork, saddlery, trunks, chests, caskets or the like; base metal hat racks, hat-pegs, brackets and similar fixtures; castors with mountings of base metal; automatic door closers of base metal; and base metal parts thereof: Hinges, and parts thereof: Other: Other

 9903.82.06	Except as provided for in headings 9903.82.15 and 9903.85.68, articles of copper and derivative aluminum and steel articles, as provided for in subdivisions (c)(ii), (iv), (vi)–(viii) and (e) of U.S. note 16 to this subchapter. . . .	The duty provided in the applicable subheading + 10%	The duty provided in the applicable subheading + 10%	The duty provided in the applicable subheading + 10%
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HOW TO USE EXCLUSIONS – AIRCRAFT PART

8302.10.6090 -- Base metal mountings, fittings and similar articles suitable for furniture, doors, staircases, windows, blinds, coachwork, saddlery, trunks, chests, caskets or the like; base metal hat racks, hat-pegs, brackets and similar fixtures; castors with mountings of base metal; automatic door closers of base metal; and base metal parts thereof: Hinges, and parts thereof: Other: Other

**Implementing Certain Tariff-Related
Elements of a Trade and Security
Agreement Between the American
Institute in Taiwan and the Taipei
Economic and Cultural Representative
Office in the United States**

4. U.S. note 35 is modified by inserting the following **new subdivision (c):**

7304.31.30	7304.31.60
7304.41.60	7304.49.00
7304.59.10	7304.59.20
7304.90.10	7304.90.30
7306.30.10	7306.30.30
7306.40.50	7306.50.10
7306.61.10	7306.61.30
7306.69.10	7306.69.30
7312.10.05	7312.10.10
7312.10.50	7312.10.60
7312.10.90	7312.90.00
7324.90.00	7326.20.00
7608.20.00	8302.10.60
8302.49.60	8302.60.30

HOW TO USE EXCLUSIONS – AIRCRAFT PART

8302.10.6090 -- Base metal mountings, fittings and similar articles suitable for furniture, doors, staircases, windows, blinds, coachwork, saddlery, trunks, chests, caskets or the like; base metal hat racks, hat-pegs, brackets and similar fixtures; castors with mountings of base metal; automatic door closers of base metal; and base metal parts thereof: Hinges, and parts thereof: Other: Other

"9903.96.03 ..	Civil aircraft (all aircraft other than military aircraft and unmanned aircraft) components that are products of Taiwan, provided for in subdivision (c) of U.S. note 35 to this subchapter.	No change
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HOW TO USE EXCLUSIONS – AIRCRAFT PART

8302.10.6090 -- Base metal mountings, fittings and similar articles suitable for furniture, doors, staircases, windows, blinds, coachwork, saddlery, trunks, chests, caskets or the like; base metal hat racks, hat-pegs, brackets and similar fixtures; castors with mountings of base metal; automatic door closers of base metal; and base metal parts thereof: Hinges, and parts thereof: Other: Other

CBP FORM 7501 ENTRY SUMMARY

31. Line No.	32. Description of Merchandise			36. A. Entered Value B. CHGS C. Relationship	37. A. HTSUS Rate B. AD/CVD Rate C. IRC Rate D. Visa Number	38. Duty and IR Tax	
	33. A. HTSUS No. B. AD/CVD No.	34. A. Gross Weight B. Manifest Qty.	35. Net Quantity in HTSUS Units			Dollars	Cents
1	8302.10.6000	12 kg	1	100	3.5%	\$3.50	
	9903.96.03				0%	\$0.00	

HOW TO USE EXCLUSIONS – ICT PRODUCT

8528.52.0000 -- Monitors and projectors, not incorporating television reception apparatus; reception apparatus for television, whether or not incorporating radio-broadcast receivers or sound or video recording or reproducing apparatus: Other monitor: Capable of directly connecting to and designed for use with an automatic data processing machine of heading 8471.

9903.05.76	Except for products described in headings 9903.05.85–9903.05.92 and 9903.06.14–9903.06.15, articles the product of Taiwan, with an <i>ad valorem</i> (or <i>ad valorem</i> equivalent) rate of duty under column 1 less than 10 percent, as provided for in U.S. note 52 to this subchapter	10%	10%	No change
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HOW TO USE EXCLUSIONS – ICT PRODUCT

8528.52.0000 -- Monitors and projectors, not incorporating television reception apparatus; reception apparatus for television, whether or not incorporating radio-broadcast receivers or sound or video recording or reproducing apparatus: Other monitor: Capable of directly connecting to and designed for use with an automatic data processing machine of heading 8471.

(b) As provided in heading **9903.05.86**, the duties imposed by headings 9903.05.20–9903.05.84 shall not apply to articles that are classifiable in the following provisions of the HTSUS:

8517.13.00	8517.62.00	8523.51.00	8524.11.10	8524.11.90
8524.12.00	8524.19.00	8524.91.10	8524.91.90	8524.92.00
8524.99.00	8528.52.00	8541.10.00	8541.21.00	8541.29.00
8541.30.00	8541.41.00	8541.49.10	8541.49.70	8541.49.80
8541.49.95	8541.51.00	8541.59.00	8541.90.00	8542.31.00

HOW TO USE EXCLUSIONS – ICT PRODUCT

8528.52.0000 -- Monitors and projectors, not incorporating television reception apparatus; reception apparatus for television, whether or not incorporating radio-broadcast receivers or sound or video recording or reproducing apparatus: Other monitor: Capable of directly connecting to and designed for use with an automatic data processing machine of heading 8471.

CBP FORM 7501 ENTRY SUMMARY

31. Line No.	32. Description of Merchandise			36. A. Entered Value B. CHGS C. Relationship	37. A. HTSUS Rate B. AD/CVD Rate C. IRC Rate D. Visa Number	38. Duty and IR Tax	
	33. A. HTSUS No. B. AD/CVD No.	34. A. Gross Weight B. Manifest Qty.	35. Net Quantity in HTSUS Units			Dollars	Cents
1	8528.52.0000	6 kg	1	100	0%	\$0.00	
	9903.05.86				0%	\$0.00	

FIXING MISTAKES – PSC, PROTEST, PRIOR DISCLOSURE

Post Summary Corrections (PSC):

- A PSC allows an importer to electronically correct entry summary data that has been presented to and accepted by CBP.
- A PSC must be submitted to CBP within 300 days from the date of entry, and the entry must not be liquidated.

Protests:

- A protests allows an importer to dispute certain clerical errors, mistakes of fact, or other inadvertences.
- Protests must be filed within 180 days from the date of liquidation or reliquidation.

Prior Disclosure:

- A prior disclosure eliminates the potential for penalties for a person who notifies CBP of the circumstances of a violation of the customs laws. The “penalty” for a prior disclosure accepted by CBP is the interest owed on any back duties, charges, and fees that resulted from the disclosed violation(s).
- A prior disclosure must be submitted before, or without knowledge of, the commencement of a CBP formal investigation of the violation(s).
- A prior disclosure must supply CBP the correct information, and pay any revenue loss (duties, taxes, other fees) resulting from the violation(s).

STEPS FOR ALL IMPORTERS – MINIMIZE TARIFFS, MAINTAIN COMPLIANCE

- Review the **tariff classification** (HTSUS code) of your merchandise
- Evaluate **country of origin** for country-specific exemptions
 - E.g., those stemming from the Taiwan-US Investment MOU
 - Substantial Transformation
 - Know your supply chain & source of inputs
- Confirm whether the exclusion applies to your **entry date**
 - Some exclusions retroactive, may be eligible to claim refunds

TARIFF CLASSIFICATION

Duty Mitigation Opportunities:

- It is beneficial for importers to reevaluate the classification of their merchandise because certain HTS codes are exempt from certain tariff measures
 - Section 232 duties on aluminum and steel are applied depending on the HTS code used
 - Certain HTS codes are exempt from Section 301 Forced Labor duties
 - Goods classified under certain Chapter 98 classifications may mitigate all or some of the Special Duties

COUNTRY OF ORIGIN

- “Country of origin” means the country of manufacture, production, or growth of any article of foreign origin entering the United States.
- Can affect whether an article is admissible into the US, is subject to special requirements or benefits, etc.
- For goods consisting of materials from more than one country, utilize the “substantial transformation” test
 - The good’s origin is determined according to where it is “substantially transformed” into the finished, imported article
 - A “substantial transformation” occurs where an article is transformed into a new and different article of commerce, with a name, character and use distinct from that of the article or articles from which it was made. Applied on a case-by-case basis.
- Exceptions to the substantial transformation test:
 - The origin of goods subject to preferential duty treatment pursuant to a special program or international trade agreement (e.g., USMCA) may be subject to a test specific to that program or agreement
 - For AD/CVD purposes, the Department of Commerce, not CBP, determines origin. Commerce has its own Substantial Transformation test, and its elements are different than the CBP Substantial Transformation test
 - Textiles are subject to different rules.

COUNTRY OF ORIGIN

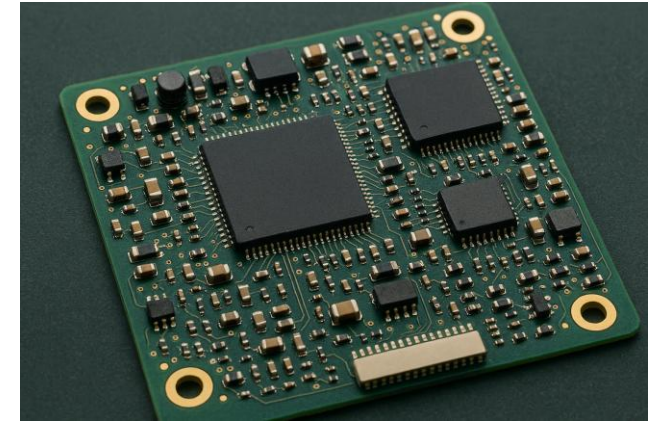
- The substantial transformation analysis applied by CBP generally depends on the type or category of imported merchandise:
- **For metal products**, forging, casting, or machining that establishes the product's general shape typically determines origin. Further cold processing like milling, threading, and cutting to length do not constitute a substantial transformation.



- **For CSPV cells and modules**, CBP has often found that origin is determined by the location where the P/N junction is formed.

COUNTRY OF ORIGIN

- Product-specific substantial transformation rules (cont.)
 - **For certain electronics incorporating printed circuit board assemblies (PCBAs)**, the origin of the article is the country where the PCBA is produced using surface mount technology (SMT).



- **For furniture**, CBP has generally found that minor operations, such as polishing, painting, coating, and simple assembly do not constitute a substantial transformation. The emphasis is on where the product becomes a new article of commerce.
- Where furniture is assembled of from components of different countries, CBP may also consider what component of the furniture imparts the essential character to determine origin.
- Where furniture is imported in a disassembled stated, CBP can find separate countries of origin for each unassembled component.

COUNTRY OF ORIGIN

Duty Mitigation Strategies:

- Determine the what constitutes a substantial transformation for your merchandise – is there a way to restructure your supply chain so that the component or process that constitutes the substantial transformation originates/takes place elsewhere?



Inputs do not become “Taiwanese” for COO purposes if manufactured outside Taiwan, even if purchased from a Taiwanese supplier.



ENTRY DATE

- Some exclusions are established at the same time as the tariffs themselves
- Other exclusions, especially those arising out of bilateral dealmaking, are implemented at some later date.
- These can be given retroactive effect, for example:

Implementation of Taiwan-U.S. MOU	
Announcement Date	Effective Date
28 May 2026	Entries dated 1 May 2026 or later

- Importers should review all entries made after the effective date to ensure all available refunds are claimed

PRACTICAL TIPS FOR GETTING THE MOST OUT OF CBP'S SYSTEMS

- Set up an ACE (“Automated Commercial Environment”) Account
- Enable electronic refunds to receive, e.g., IEEPA refunds
- Ensure up-to-date Information on CBP Form 5106
- Develop internal procedures and recordkeeping practices

ACE ACCOUNT

- The ACE Secure Data Portal (ACE Portal) is a free, web-based access point designed to connect CBP, trade partners, and Partner Government Agencies.
- The ACE Portal gives companies the ability to file Importer Security Filings, import truck manifests, protests, and electronic export information.
- In addition, users can run reports, respond to CBP forms, create declarations, and manage ACE accounts.
- To access the ACE Portal, a company must first establish an account and then grant access to users within their company.



How To Get Started

- 1 Visit www.cbp.gov/ace-accounts
- 2 Apply for an ACE Portal account
- 3 Start using the ACE Portal

ELECTRONIC REFUNDS

- CBP requires Automated Clearinghouse (ACH) enrollment to receive electronic refunds resulting from: overpayment of Customs duties, taxes, fees, and miscellaneous or invalid payments submitted to CBP
- After enrolling for ACH refunds, your refund will automatically be deposited directly into your bank account.
- ACH refunds replaces the process of depositing Treasury checks.
- Enrollment can be accomplished through the ACE Portal.
- A step-by-step guide is available [on CBP's website](#).

CBP FORM 5106

- CBP announced enhanced Form 5106 verification procedures under Executive Order 14411.
- Effective **September 18, 2026**, CBP may void IOR numbers tied to inaccurate or incomplete Form 5106 filings.
- Importers should coordinate with their customs brokers to review the most recently filed Form 5106, **verify all required information**, including the importer:
 - Name
 - Identification number
 - Mailing and physical addresses
 - Telephone number
 - Email address



DEPARTMENT OF HOMELAND SECURITY
U.S. Customs and Border Protection

OMB CONTROL NUMBER 1551-0054
EXPIRATION DATE: 06/30/2027

CREATE/UPDATE IMPORTER IDENTITY FORM 19 CFR 24.5

As the importer, consignee, or other party listed in block 1, you are responsible for the validity of the information provided in this document. Any Customs Broker or third party who is submitting the information on your behalf is only obligated to convey this information to Customs and Border Protection (CBP).

TYPE OF ACTION (Mark all applicable): ☐ Notification of Identification Number ☐ Change of Name ☐ Change of Address

All the data elements with a red asterisk are required

1. NAME AND IDENTIFICATION NUMBER

*1A. Importer/Business/Private Party Name: _____

*1B. Internal Revenue Service (IRS) Employer Identification Number (EIN), Social Security Number (SSN), or CBP-Assigned Number:
Number Type: (Select Only One)
☐ IRS Employer Identification Number (EIN) _____
☐ Social Security Number (SSN) _____
☐ CBP-Assigned Number _____
☐ Requesting a CBP-Assigned Number

1C. ☐ DIV ☐ AKA ☐ DBA 1D. DIV/AKA/DBA Name: _____

1E. ☐ I wish to be assigned a CBP Number. Check here if requesting a CBP-assigned number and indicate reason(s).
If you marked yes to receive a CBP assigned number, indicate the reasons why. Check all that apply.
☐ I have a SSN, but wish to use a CBP-Assigned Number on all my entry documents ☐ I have no Social Security Number ☐ I have no IRS Number ☐ I have not applied for an IRS number or SSN ☐ I am not a U.S. Resident

1F. CBP-Assigned Number: _____

1G. Type of Company:
☐ Corporation ☐ Partnership ☐ LLC ☐ Sole Proprietorship ☐ Individual
☐ U.S. Government ☐ State/Local Government ☐ Foreign Government

1H. If you are an importer, how many entries do you plan on filing in a year? Select from the following:
☐ 1-4 per year ☐ 5-24 per year ☐ 25 or more per year
☐ infrequent personal shipments ☐ or ☐ I do not intend to import.

1I. How will the identification number be utilized? Select all options that will apply:
☐ Importer of Record ☐ Consignee/Ultimate Consignee ☐ Drawback Claimant
☐ Refunds/Bills ☐ or ☐ Other _____

1J. Program Code 1: _____ 1K. Program Code 2: _____ 1L. Program Code 3: _____ 1M. Program Code 4: _____

2. ADDRESS INFORMATION

2A. MAILING ADDRESS (Each street address line can be no more than 32 characters)

*Street Address 1: _____ *City: _____ *State/Province: _____
Street Address 2: _____ Zip Code: _____ Country ISO Code: _____

*Is the address in 2A, a:
☐ Residence ☐ Corporate Office ☐ Warehouse ☐ Retail Location ☐ Office Building
☐ Business Service Center ☐ Post Office Box ☐ or ☐ Other - Explain: _____

2B. PHYSICAL LOCATION ADDRESS (Required only if different than mailing address. Each street address line can be no more than 32 characters)

*Street Address 1: _____ *City: _____ *State/Province: _____
Street Address 2: _____ Zip Code: _____ Country ISO Code: _____

*Is the address in 2B, a:
☐ Residence ☐ Corporate Office ☐ Warehouse ☐ Retail Location ☐ Office Building ☐ or ☐ Other - Explain: _____

INTERNAL PROCEDURES

- Importers, consignees and other parties involved in the import transaction are required to produce, maintain and retrieve upon CBP request, records relating to the transaction.
- “Records:” any information made or normally kept in the ordinary course of business relating to importation, entry, transportation, duty payment, duty free claims, etc.
- “(a)(I)(A) List”: located in the Appendix to 19 CFR Part 163
 - Extensive, but not exhaustive, list of records parties are required to keep
 - Examples of records on the (a)(I)(A) list include evidence of a right to make entry (airway bill, bill of lading...etc.), declaration of entry (entry summary or warehouse entry), power of attorney where required, packing lists where appropriate, bond information...etc.
- Record retention period
 - Most records that relate to an entry: **five years** from date of entry
 - Most other records: **five years** from the date of the activity that required creation of the record
 - There are some exceptions (e.g., records relating to drawback entries)

INTERNAL PROCEDURES

- Country of Origin: CBP may request an importer to furnish additional information to support the country of origin declared on entry. An importer should be prepared to provide the following as support within **30 days** of a request:
 - Documents showing where the last substantial transformation took place (e.g., work orders, production records, plant logs, etc.),
 - Manufacturing flowcharts or process logs that show operations by country,
 - Pictures of factory / production lines,
 - Proofs of payment, and
 - Shipping documents (e.g., bills of lading demonstrating the flow of raw materials to the manufacturing site).

QUESTIONS?

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