

On **February 1, 2025**, U.S. President Donald Trump issued consecutive <u>Executive Orders</u> imposing new tariffs on imports from **Canada, Mexico, and China**. These tariffs will take effect on **February 4, 2025**, applying to goods arriving on or after that date. However, shipments already in transit as of **12:01 a.m. on February 1** will not be affected.

Summary of Tariff Measures:

- Canada: 25% tariff on most Canadian imports, plus an additional 10% tariff on energy products.
- China: 10% tariff on all goods of Chinese origin.
- Mexico: **The previously announced 25% tariff on imports from Mexico has been postponed for one
 month following an agreement between the U.S. and Mexico. Further negotiations are expected during
 this period.

President Trump invoked the <u>International Emergency Economic Powers Act (IEEPA)</u> to levy these tariffs. Duty drawbacks will not be permitted on affected products, nor will they qualify for duty-free entry under de minimis treatment (which allows goods valued below a certain threshold to enter the country duty-free).

In a <u>Fact Sheet</u> released by the White House on February 1, President Trump cited the need for these actions to address the fentanyl crisis, the flow of contraband drugs, and to halt illegal immigration.

Presidents can take several types of executive actions to shape government policy without legislation, including executive orders, memorandums, and proclamations. According to the <u>Library of Congress</u>, executive orders are directives issued to government officials and agencies. They carry the force of law if they are based on the president's authority under the U.S. Constitution or a statute and must be published in the U.S. Federal Register, the federal government's official daily journal, to notify the public.



DISCLAIMER: The subject matter of this announcement is provided for informational purposes only. Any and all data is obtained from internal and external sources believed to be true and accurate at the time of publication. Forward-looking statements derived from such data should not be taken as guarantees of future performance, nor should they be relied upon as fact. KWE is not responsible or liable for any inaccurate information contained herein, and under no obligation to update forward looking statements except as required by applicable security laws.

For assistance in understanding and complying with these tariff changes, please contact: customs compliance group@am.kwe.com

