

Potential Impact due to U.S. Government Shut-Down Effective at 12:01 a.m. ET on October 1<sup>st</sup>, 2025

United States importers and exporters should be aware of the government's timeline in processing transactions during this period. Based on previous shutdowns, U.S. Customs and Border Protection (CBP), along with some Partner Government Agencies (PGAs), continued to process entries. CBP has confirmed to trade representatives that they will be fully staffed and operational but could not provide answers concerning PGAs. You may want to communicate in advance for goods that require certification or inspection from a PGA or a specialized agency. It is also recommended that you adjust delivery deadlines in the event that PGA staff (e.g., Environmental Protection Agency [EPA], Food and Drug Administration [FDA]) are unavailable for processing shipments. CBP can support and assist during this communication process.

• More Section 232 Tariffs Outlined on Timber, Lumber and Derivative Products. There will be a 10% tariff on foreign softwood lumber and timber, used in a wide variety of building materials, per the referenced Presidential Proclamation, while kitchen cabinets, vanities, and upholstered wooden furniture will be charged a 25% tariff. Note that the start has been delayed until October 14<sup>th</sup>, 2025. This will increase to 30% for upholstered furniture and 50% on cabinets on January 1<sup>st</sup>, 2026. Special consideration has been given to imports of wood products from the United Kingdom (U.K.), which will have a capped tariff rate of 10%, while imports of wood products from the European Union (EU) and Japan will be subject to a tariff that does not exceed 15%. Tariff subheadings have been outlined in the Annex to the Proclamation.



- CBP has deployed enhancement to the Automated Commercial Environment (ACE) on September 27<sup>th</sup>, 2025, per Cargo Systems Messaging Service (CSMS) 66383734, CBP deployed an enhancement to the Automated Commercial Environment (ACE). This enhancement implements the automated rejection of ACE Manifest filings that have insufficient cargo descriptions, consignee information, or shipper information. It also deploys new disposition codes that will be sent when holds are manually placed or removed by CBP for these same deficiencies.
- CBP Final Extension for Form 1302A Cargo Declaration for Outbound Cargo
  CBP has implemented a final extension to the requirement for submitting Form 1302A Cargo
  Declaration for outbound cargo (vide CSMS 66355286). Effective December 1st, 2025, the
  Document Image System (DIS) will no longer be an acceptable method for submitting the
  Outbound Cargo Declaration.
- Bureau of Industry and Security (BIS) under Dept. of Commerce Expands Entity List to Cover Affiliates of Listed Entities under this rule, issued September 29<sup>th</sup>, 2025, any entity that is at least 50% owned by one or more entities on the Entity List or the Military End-User (MEU) List will itself automatically be subject to Entity List/MEU List restrictions. In addition, significant minority ownership by an Entity List/MEU List company is a red flag that will trigger additional due diligence requirements for exporters. FR Notice published September 30<sup>th</sup>, 2025, provides further detail on OFAC's 50% rule.

STAY AHEAD - ONE FORWARDER, ONE BROKER, OVERALL COMPLIANCE

