

Practice Update

The Rundown on “Liberation Day” and the Reciprocal Tariffs

April 5, 2025

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Reciprocal Tariffs Imposed and China *De Minimis* Exemption Eliminated

On April 2, President Donald Trump issued two executive orders. The first was an [Executive Order](#) putting in place “reciprocal tariffs” on foreign products imported into the U.S. Trump also announced immediate imposition of tariffs on foreign automobiles and parts pursuant to the administration’s March 26, 2025, [Proclamation](#). The second [Executive Order](#) eliminated the *de minimis* exemption for low-value imports from China. Here’s the rundown of “Liberation Day” tariff actions.

Reciprocal Tariffs

Per the reciprocal tariffs E.O., effective 12:01 am ET April 5, 2025, the United States is imposing a baseline additional 10% tariff duty on all foreign imports, subject to limited exceptions below.

Then, effective 12:01 am ET April 9, country-specific rates as published in the Executive Order [Annex I](#) will be applied to all articles imported from those specified countries, subject to limited exceptions below. As shown in the Annex, the European Union will be hit with 20%, China will see an additional 34%, Japan 24%, Vietnam 46%, India 26%, and the list goes on. For example, imports from the EU will be subject to an additional ad valorem rate of 10% beginning

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12:01 am ET April 5, which will raise to 20% on April 9. However, several countries will remain at the baseline of 10%, including Brazil, Singapore, and Colombia.

Exemptions to the Reciprocal Tariffs

The reciprocal tariffs E.O. does provide for some exemptions, which largely include imports that are already subject to other International Emergency Economic Powers Act (IEEPA) or other Section 232 duties.

A. Product-Specific Exemptions

The reciprocal tariffs will not apply to:

- 50 USC 1702(b) defined products, which generally include personal communications, certain donations, informational materials, and transactions incidental to travel
- All Section 232 steel and aluminum and their derivative articles
- Section 232 automobiles and automotive parts
- Copper, pharmaceuticals, semiconductors, lumber, critical minerals, and energy products in Annex II of the Executive Order
- All articles that may become subject to duties to future action

B. Canada and Mexico Exemptions

In addition to the above, certain Canadian and Mexican goods are exempt from the reciprocal tariffs; specifically, those qualifying as USMCA originating goods under General Note 11 to HTSUS and certain HTS chapter 98 and 99 articles. Articles imported from Canada and Mexico which do not qualify as originating under USMCA that are subject to the IEEPA Executive Orders for Mexico and Canada (subject to additional ad valorem duties of 25%), are exempt from the reciprocal tariffs

C. U.S. Content Exemption

The reciprocal tariffs will apply only to the non-U.S. content of a subject article, provided that at least 20% of the value of the subject article is U.S.-originating. “U.S. content” means the value of an article attributable to the components produced entirely, or substantially transformed in, the United States. U.S. Customs and Border Protection (CBP) is authorized to require the collection of such information and documentation to verify the value of the U.S. content of the article, as well as to verify whether an article is substantially finished in the United States.

De Minimis Exception Eliminated for China Imports

The Executive Order published on April 2 eliminates the *de minimis* duty-free treatment of low value imports from China and Hong Kong. The E.O. instructs Customs to require the carrier to remit duty payment on a monthly basis to CBP and sets forth reporting requirements for carriers that transport postal packages from the PRC or Hong Kong. These imports (typically valued under \$800) will be subject to either a 30% ad valorem duty or a dollar value, effective May 2, 2025, as determined by CBP. CBP will also have discretion to require formal entry for these imports.

Duty-free *de minimis* treatment remains available from other countries only until adequate systems are in place to process and collect duty revenue for these shipments.

Reciprocal Tariffs and the America First Economic Policy

Trump emphasized that these reciprocal tariffs are in response to unfair trade concerns around the world, including monetary and non-monetary barriers, which have exacerbated trade imbalances. Trump explained that he would end the reciprocal tariffs upon a country lowering its tariffs, dropping

its trade barriers, and stopping currency manipulation.

Contact your Akerman Customs and Trade team for more information on the rapidly changing trade wars.

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