



December 2, 2025

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Trade and Tariff Tuesdays
has moved to bi-weekly,
check out our upcoming
dates!

December

16

A special edition for an
engaging first look at 2026
tax and trade changes

Coming back
January 13,
2026

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past sessions on-demand](#)

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A-LIST

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You've probably never gone to a tax + tiki party.
Let's change that.

FIND YOUR A-LIST CITY

A-List events will vary based on group size—but they're all going to be awesome.
Register now and we'll send final details about a week before we hit your city.

The background is a solid orange color with a pattern of overlapping triangles in various shades of orange, creating a geometric, low-poly effect.

> Meet your presenters

Meet your presenters



Shane Bogdan

*Director of Sales,
Cross-Border*



Agenda

01 **The latest news in trade compliance**

02 **Implications to your business**

03 **Take action with Avalara**

04 **Q&A**

POLL QUESTION #1

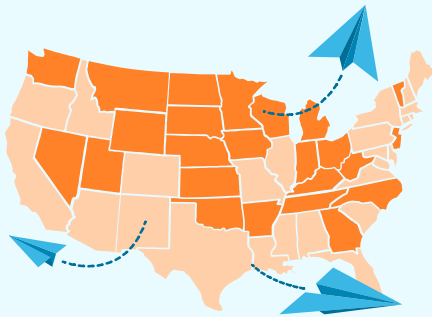
Under the recently announced UK-US pharmaceutical trade deal, what major tariff change did the United States implement on UK-origin medicines and pharmaceutical ingredients?

- A** Reduced tariffs from 15% to 5%
- B** Eliminated all tariffs, creating a 0% rate
- C** Applied new reciprocal tariffs on all pharmaceutical imports
- D** Increased tariffs to match EU pharmaceutical rates



➤ **The latest news in trade and tariffs**

Last 2 weeks at-a-glance



Extension of Section 301 tariff exemptions for China

On November 26, 2025, the U.S. extended certain tariff exclusions for Chinese industrial and medical goods for one year.

Korea

The Korea Strategic Trade and Investment Deal sets U.S. tariff treatment for Korean goods at the higher of KORUS or MFN rates, or a flat 15%, and caps additional sectoral tariffs at 15%.

0% for UK pharmaceuticals

The UK-US Pharmaceuticals Zero-Tariff Deal eliminates U.S. import tariffs on U.K.-origin medicines, pharmaceutical ingredients, and medical technology for at least three years.

Exemption of many agricultural and food items

As of November 13, 2025, some agricultural and food-product classifications were removed from the list of reciprocal tariffs, including coffee, tea, tropical fruits, fruit juices, cocoa, spices, bananas, tomatoes, beef, and others.

EU to end de minimis exemption

Low-value imports previously entering the EU duty-free will soon face customs duties – with a “temporary solution” expected as early as 2026 and full implementation tied to the launch of the new EU Customs Data Hub (anticipated around 2028).

Overview of U.S. tariff measures and tariff table - 2025

Country	Reciprocal tariff rate announced April 2, 2025	Status of reciprocal tariff	Current tariff rate
Australia	10%	Active as of April 5, 2025	10%
Bangladesh	37%	Lowered to 20%	20%
Cambodia	49%	Lowered to 19%	19%
Canada	25% for most goods; 10% for energy and potash; 0% for USMCA-compliant goods	25% tariff increased to 35% on August 1, 2025	35% (Read our blog for updates and details on Canada tariffs)
China	34%, increased to 84% then 125%, then decreased to 10%	10%; set to increase on November 10, 2026	30%+ (Read our blog for updates and details on China tariffs)
European Union	20%	Lowered to 15%	15%
India	26%	Lowered to 25%; increased to 50% on August 27, 2025	50%
Indonesia	32%	Lowered to 19%	19%
Israel	17%	Lowered to 15%	15%
Japan	24%	Lowered to 15%	15%
Mexico	25% for most goods; 10% for energy and potash; 0% for USMCA-compliant goods	Set to increase to 30% in October 2025	25%
Pakistan	29%	Lowered to 19%	19%
South Korea	25%	Lowered to 15%	15%
Switzerland	31%	Increased to 39%	39%
Taiwan	32%	Lowered to 20%	20%
Thailand	36%	Lowered to 19%	19%
United Kingdom	10%	Active as of April 5, 2025	10%
Vietnam	46%	Lowered to 20%	20%



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[Reciprocal tariffs explained: Impact on your business](#)

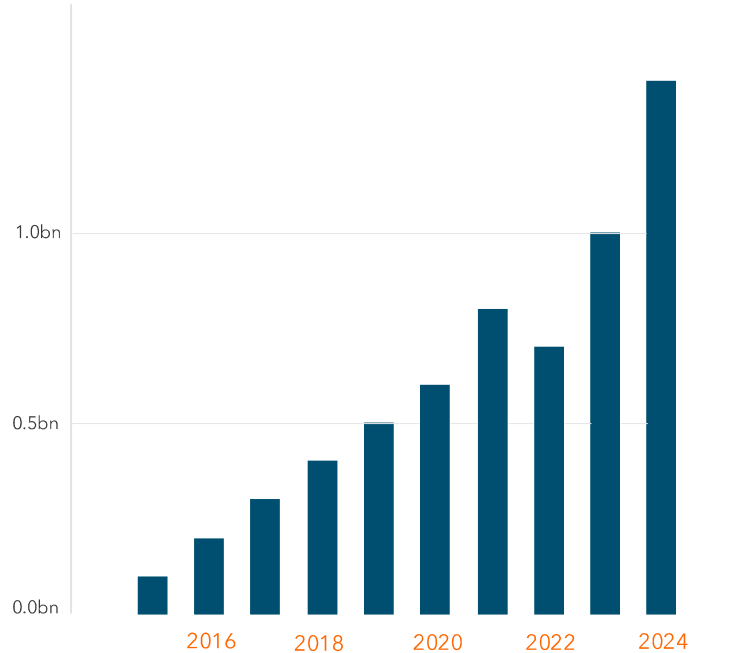
BOOKMARK OUR TARIFF TABLE

[Overview and table of U.S. tariffs by country](#)

End of de minimis exemptions

Evolving eliminations

VOLUME OF 'DE MINIMIS' SHIPMENTS TO THE US



Source: US Customs and Border Protection; National Bureau of Economic Research, [c/o BBC](#)

May
2

Duty-free de minimis treatment ends for goods from China and Hong Kong under \$800

August
29

Duty-free de minimis treatment ends for all countries' imports under \$800

Q1
2026

The EU plans to end their duty-free de minimis treatment for imports under €150

What this means for Postal compliance

- Postal shipments are subject to tariffs or to a flat duty ranging from \$80 to \$200 per item, depending on COO
- Postal carrier requirements now include content information, surety bond, and duties remittance before clearance.
- CBP may require Customs entry for all shipments.

Adapting to the end of de minimis

- **Before Aug 29, 2025**

- ✓ Shipments \leq \$800 entered duty-free under Section 321
- ✓ Simplified processes (Entry Type 86), minimal data

- **After Aug 29, 2025**

- All imports must be filed in ACE
 - Entry Type 1 (formal): $>$ \$2,500
 - Entry Type 11 (informal): most low-value shipments
- Detailed documentation required, **including 10-digit HTS code**
- Postal shipments are now Dutiable (e.g., 30% for Chinese goods)



No more "duty-free" small shipments



Higher compliance costs



Exposure to full tariff rates



Need to review supply chain, customs processes, and cost models

CBP Trade Statistics*

Trade Remedy Enforcement ¹	Imported Products	FY 2024	FY 2025
Section 201	Solar Products ²	\$296.49M	\$434.25M
Section 232	Steel ³	\$1.22B	\$4.83B
	Aluminum ⁴	\$388.98M	\$2.96B
	Automobiles ⁵	-	\$18.33B
	Automobile Parts ⁶	-	\$7.61B
	Copper ⁷	-	\$513.80M
Section 301	China Products ⁸	\$38.19B	\$35.05B
IEEPA	China and Hong Kong, all goods ⁹	-	\$28.92B
	Mexico, all goods ¹⁰	-	\$5.72B
	Canada, all goods ¹¹	-	\$1.97B
	Reciprocal all countries, all goods ¹²	-	\$51.62B
	Brazil, all goods ¹³	-	\$293.92M
	India, all goods ¹⁴	-	\$271.96M
	Japan, all goods ¹⁵		\$198.82M

Trade Remedy Duties Assessed = trade remedy duties due on imported goods.

* Amount includes Estimated and final duties, taxes, and fees paid by the trade community, including adjustments for refunds

¹ As of September 23, 2025.

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As the Importer of Record, you're legally responsible—and the risks are real:

- Steep fines
- Seizure of your valuable inventory
- Business disruption
- Loss of import privileges
- Criminal charges

Enforcement in action:

- \$3.4 million civil penalty against Rayson Global, along with all unpaid duties, taxes, and fees.
- \$8.1 million settlement with Evolutions Flooring, Inc. and its owners.

\$195.9B

Total duties, taxes, and fees collected by CBP January-August 2025

\$158.72B

From IEEPA, Section 201, 232 and 301, and reciprocal tariffs in 2025 that was not generated in years prior

U.S. courts challenge IEEPA tariffs

Timeline of events, May – September 2025

May
28

CIT ruling

The CIT ruled that President Trump exceeded his IEEPA authority by imposing “Liberation Day” tariffs and permanently blocked their enforcement.

May
29

Stay granted

Federal Circuit Appeals Court granted a temporary administrative stay, allowing the tariffs to remain in effect while the government appeals.

July
31

En Banc Oral
Arguments

The full Federal Circuit (en banc) heard arguments, with media reporting skepticism toward the Trump administration’s position.

August
29

Federal
circuit ruling

The Appeals Court upheld the CIT ruling that Trump lacked IEEPA tariff authority but stayed enforcement until Oct. 14 pending Supreme Court appeal.

Sept.

Supreme
Court Appeal

The Trump administration officially petitioned the U.S. Supreme Court for review, underscoring the high-stakes nature of the case.

U.S. courts challenge IEEPA tariffs

Timeline of events, October – present day

Decision is expected by mid-2026, tariffs remain in effect

Oct.
20

Respondent
briefs filed

Respondent briefs filed (states and private parties) and the challengers' brief in Learning Resources filed.

Oct.
23

80-min
divided
argument

The Court granted divided argument and expanded time to 80 minutes (40 for the SG, 20 for private parties, 20 for the states).

Oct.
24

Amicus briefs
filed

Multiple amicus briefs filed (e.g., Members of Congress; Chamber of Commerce).

Oct.
30

Reply brief

Government filed its reply brief.

Nov.
5

Set for
argument

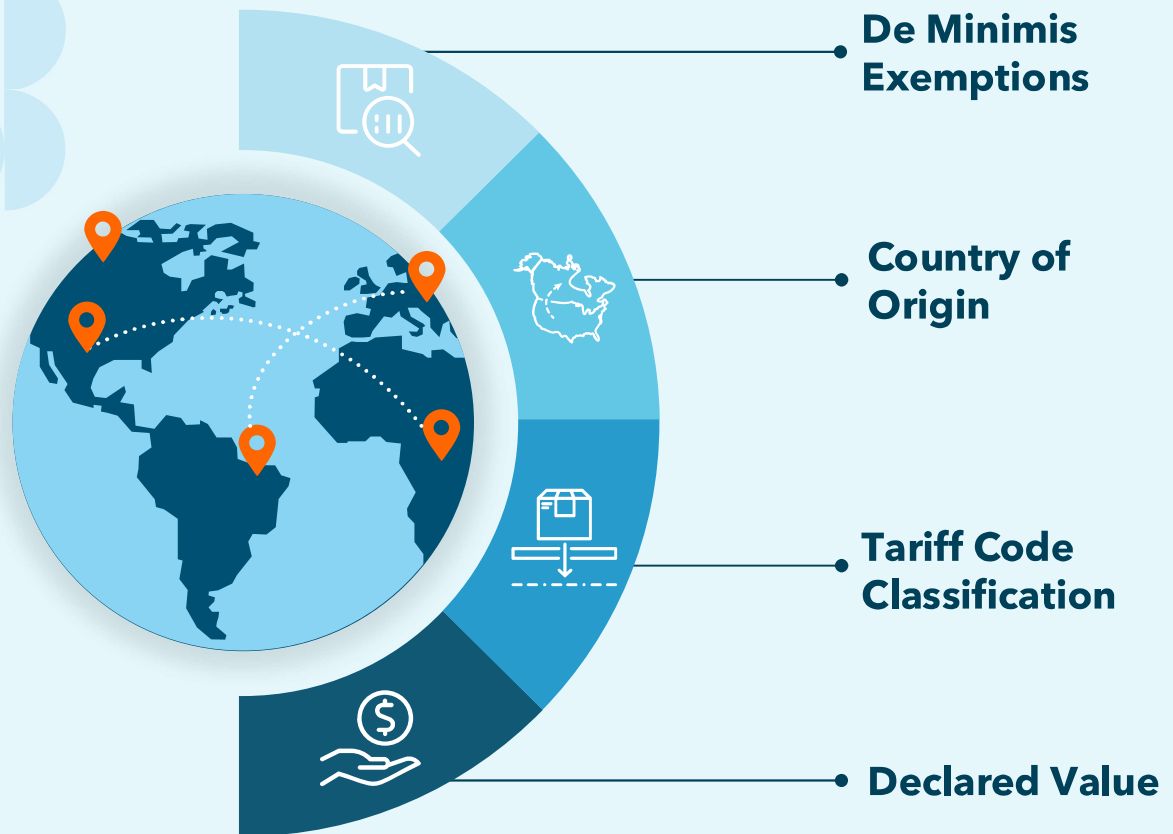
Wed, Nov 5, 2025 (first week of the Nov session). Previews confirm arguments this week; still no merits decision.



> Implications to your business

4

**puzzle pieces
of global
trade**



De minimis and tariffs in the news



Deere & Co.

Deere & Company said its Q4 net income fell significantly year-over-year – and warned that ongoing tariff-related cost pressures will cut into profitability in 2026, estimating a roughly **\$1.2 billion pre-tax tariff hit** and forecasting full-year profit well below analysts' expectations.

Abercrombie & Fitch, Walmart, Nike

Many major companies – from apparel and footwear brands to retailers and consumer-goods firms – say they're raising U.S. prices because recently imposed tariffs have driven up their import costs.

U.S. manufacturing

U.S. manufacturing contracted further in November, with the S&P Global **manufacturing PMI dropping to 48.1, marking the fifth straight month below the 50-point growth threshold**. Companies cited tariffs as a major headwind, with new orders falling at the fastest pace since mid-2020 and factory employment declining for the sixth month in a row.

5 proactive steps to building a resilient supply chain strategy



Explore diversification of shipping carriers and/or sources of supply

1

Automate global trade compliance

2

Work with a customs broker to lean on their network and expertise

3

Ensure product details are compliant with global trade regulations

4

Build inventory to absorb short-term headwinds

5

POLL QUESTION #2

Are you planning to adjust your supply chain due to impending global trade changes (duties, tariffs, regulation changes) in any of the following ways?

- A** Diversifying suppliers and manufacturers

- B** Switching to local suppliers and manufacturers

- C** Investing in new trade technology or tools for supply chain management and trade compliance

- D** Rethinking distribution strategies (e.g., new fulfillment center locations, carriers, shipping routes)

- E** Other - Please specify

- F** I don't know yet

POLL QUESTION #3

What are your plans for addressing the increased cost from global tariffs on your goods?

- A** Pass additional costs onto the customer by raising item prices

- B** Include a tariff surcharge

- C** Absorb the tariff costs

- D** Sharing the tariff costs with your suppliers

- E** Other - Please specify

Can your business keep up with these changes?

Out-of-date trade compliance information and tariff rates could result in:

01

Penalties, fines, and delays for non-compliance

02

Under- or over-charging customs duties and import taxes

03

Added costs for customers and supply chains

You're not alone.

81%

of survey respondents plan to adjust their supply chains due to trade changes

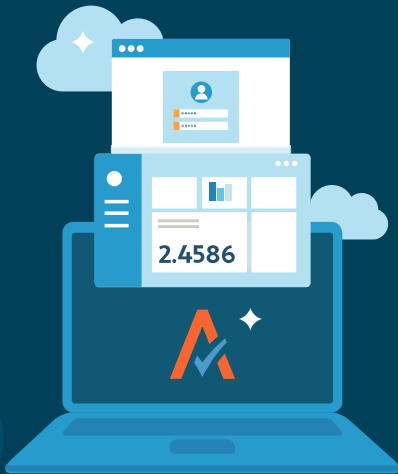
Global cross-border ecommerce trends - Avalara



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Go global with Avalara

A one-stop shop for your end-to-end international compliance needs



AvaTax Cross-Border

Simplify your compliance process with a flexible, unified platform to help calculate or estimate customs duties upfront with greater accuracy.




Tariff Code Classification

Automate the assignment of Harmonized System (HS) codes with a solution that scales to meet global needs, including AI-based and self-serve capabilities in addition to managed classification that combines automated services and human expertise.



Trade and Tariff Library

Stay ahead of government restrictions on cross-border sales by accessing a centralized library of trade and tariff content. Identify restricted or prohibited goods before shipment to reduce a compliance risk and prevent delays at the border.



Try Self-Serve Tariff
Code Classification for
yourself!

14-day

free trial limited offer

By signing up here you will receive communication from Avalara with your 14-day free trial login credentials. For registrations prior to Thursday at 4 p.m. ET, your free trial will start the following Monday. For registrations between Thursday at 4 p.m. ET and Monday, your trial will begin on the second Monday after registration and last for 14 days. Destination countries are limited to the U.S., Canada, and the EU countries. Country of Origin selections are unlimited. Number of classifications is limited to 30. Free trial offering is limited; [terms and conditions apply](#).



Access Self-Serve Tariff Code Classification 2 weeks starting the Monday after you sign up.

The offer includes:

- Three destination countries – U.S., Canada, EU
- Unlimited Country of Origins
- Up to 30 unique HS and Tariff code classifications

EXPLORE

how your specific product catalog could benefit from more accurate classification and trade compliance intel.

POLL QUESTION #4

Would you like to start a **14-day free trial of Avalara Self-Serve Tariff Code Classification?**

A Yes

B No

By signing up here you will receive communication from Avalara with your 14-day free trial login credentials. For registrations prior to Thursday at 4 p.m. ET, your free trial will start the following Monday. For registrations between Thursday at 4 p.m. ET and Monday, your trial will begin on the second Monday after registration and last for 14 days. Destination countries are limited to the U.S., Canada, and the EU countries. Country of Origin selections are unlimited. Number of classifications is limited to 30. Free trial offering is limited; [terms and conditions apply](#).

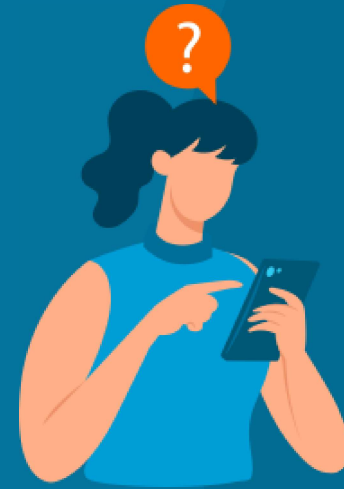
POLL QUESTION #5

Would you like to **talk with an Avalara expert** about your global trade compliance?

A Yes

B No

Q&A





Stay up to date with our blogs

- [EU to end €150 customs duty exemption in 2026: What cross-border businesses must prepare for](#)
- [Supreme Court examines Trump's IEEPA tariffs](#)
- [How to prepare for Trump tariffs](#)
- [IEEPA vs. Section 232 vs. Section 301 tariffs explained](#)
- [Reciprocal tariffs explained: Impact on your business](#)
- [The de minimis exemption is ending: Is your business ready?](#)



Keep learning more

- [View Tariff Code Classification Demo](#)
- [Cross Border Resources - Avalara](#)
- [U.S. Tariffs by Country - 2025 Overview and Impact Summary - Avalara](#)
- [De Minimis Threshold Table - Avalara](#)

Upcoming webinars

avalara.com/webinars

Webinars Calendar

- > **12/16** Trade and Tariff Tuesdays + Avalara Tax Changes 2026
- > **1/13** Trade and Tariff Tuesdays resumes!





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