



TRADE + TARIFF TUESDAYS



February 24, 2026

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> **Meet your presenters**

Meet your presenters



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Agenda

01 The latest news in trade compliance

02 Implications to your business

03 Take action with Avalara

04 Q&A



**LET'S MEET
IN PERSON!**

**Join us on the road at these
global trade events:**

- **WMX Americas**
Miami, Florida, February 22-24
- **ICPA**
San Antonio, Texas, March 1-4
- **South Africa Postal Operators Association**
Cape Town, South Africa, March 4-6
- **SMMT Electrified**
London, England, March 12th
- **Shoptalk**
Las Vegas, Nevada, March 24-26
- **NCBFAA**
San Antonio, Texas, April 12-15



POLL QUESTION #1

How many days can the administration enforce Section 122 tariffs before requiring congressional approval?

A 30

B 150

C 180

D 360

> The latest news in trade and tariffs

Last 2 weeks at-a-glance



IEEPA tariffs struck down, refund uncertainty

The Supreme Court ruled that IEEPA does not authorize tariff authority, effectively ending those duties. Refunds are likely owed, but the legal process to obtain them could take years and will not be automatic.

Enter: Section 122 tariffs

In response, the Administration implemented a temporary 10% tariff under Section 122 authority. The measure is positioned as a short-term trade tool while longer-term policy options are evaluated.

EU de minimis changes + trade deal pause

The EU is moving to eliminate the €150 de minimis duty exemption, increasing customs obligations for low-value eCommerce shipments. At the same time, broader trade negotiations remain politically sensitive and partially stalled.

France - U.S. trade deal

France continues to shape the EU's trade posture, signaling support for protective tools while balancing broader transatlantic trade discussions. Any bilateral movement remains tied to EU-level decision-making.

Trade deals out the window with new Section 122 tariffs

Section 122 tariffs apply broadly and may temporarily override preferential duty treatment under recent trade agreements. This creates short-term cost uncertainty even for partners that secured tariff reductions in 2025.

Companies respond to tariff changes

John Deere and Ford project larger hit from tariffs than originally anticipated.

Costco and other major importers continue pushing IEEPA lawsuit cases to ensure they don't lose refund rights.

IEEPA tariffs struck down + refunds

What happens next (and when)

Supreme Court decision

- Feb. 21, 2026: U.S. Supreme Court ruled 6-3 that IEEPA does not authorize the President to impose tariffs.
- The ruling did not address how refunds must be handled.

When collections stop

- Effective 12:01 a.m. ET, Feb. 24, 2026: IEEPA tariffs are no longer in effect and CBP stops collecting them.
- Entries made prior to that time remain subject to the prior duty assessment unless altered through court action.

Are refunds owed?

- Legal consensus: duties collected under invalid authority are likely refundable.
- However, refunds are not automatic and were not ordered directly by the Supreme Court.



What happens next?

- Cases return to the U.S. Court of International Trade (CIT). The CIT must:
 1. Lift existing stays
 2. Potentially consolidate cases / appoint a steering committee
 3. Issue instructions to CBP
- CBP would likely implement refunds via court-ordered reliquidation of affected entries through ACE.
- Over 300,000 importers and potentially millions of entries could be involved ([roughly 50% of the \\$216.7B generated from tariffs in 2025](#))

An alternative course of action?

Duty drawbacks.

What are Section 122 tariffs?

Snapshot:

- Authority: Section 122, Trade Act of 1974 – temporary import surcharge tied to balance-of-payments concerns.
- Limit: Up to 150 days unless Congress extends.
- Action taken: 10% ad valorem tariff announced immediately following the IEEPA ruling.
- Effective: 12:01 a.m. ET, Feb. 24, 2026.
- Duration: Through ~late July 2026, unless modified sooner.
- Applies broadly to imports unless specifically exempted.
- In-transit exemption for qualifying goods shipped before the effective date.
- Short-term bridge authority – legally clearer than IEEPA, but still temporary.
- Immediate landed cost impact across supply chains.

What does this mean for the trade deals established in 2025-early 2026?

End of de minimis **exemptions**



All shipments now include the 10-digit HTSUS code.

This ensures accurate tariff application despite:

- ✓ Changing rates
- ✓ Changing exemptions
- ✓ Changing trade deals
- ✓ Stacking tariffs

End of de minimis exemptions

1.36B De minimis shipments entered the U.S. in 2024

U.S. de minimis granted duty-free status to shipments valued \leq \$800

- **May 2, 2025**
U.S. suspended de minimis for China
- **August 29, 2025**
U.S. suspended de minimis for all countries

£1B Revenue the U.K. could generate by removing de minimis

Other countries plan to eliminate their de minimis exemptions

- **January 1, 2026**
Thailand will drop threshold from 1,500 baht to 1 baht
- **Q1-Q2 2026**
The EU will eliminate de minimis (€150 threshold) and impose a €3 flat customs duty on low-value parcels starting July 1, 2026
- **2028**
UK will eliminate de minimis (£135 threshold)

EU de minimis update + France trade deal overview



EU de minimis details and updates

- €150 duty-free threshold eliminated.
- €3 flat customs duty on low-value parcels.
- Effective: July 1, 2026.
- Major impact on cross-border eCommerce and marketplaces.



France trade deal and enforcement

- France shaping EU response strategy on trade enforcement.
- Signals support for stronger protective trade tools.
- Any “France deal” operates within EU-level authority – not unilateral.
- Net effect: Higher compliance burden + shifting transatlantic trade dynamics.

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

> **Implications to your business**

4

puzzle pieces of
global trade



De minimis
exemptions

Country of
origin

Tariff code
classification

Declared value

The ongoing impact of tariffs

\$2B

Ford paid approximately \$2 billion in tariffs in 2025 – about \$900 million more than expected – and the company anticipates paying roughly the same amount in tariffs in 2026.

\$1.2B

Deere & Co. expects a pre-tax tariff hit of about \$1.2 billion in fiscal 2026, compared with roughly \$600 million in 2025.

IEEPA litigation

Dozens of companies have filed lawsuits in the U.S. Court of International Trade to preserve their rights to refunds if the tariffs are ultimately ruled unlawful, including **Costco, Kawasaki Motors, Revlon, Yokohama Tire, Bumble Bee Foods, Ricoh, and more.**

What to watch

The next 30-60-90 days

30
days

- Section 122 implementation details (CBP guidance, exclusions clarity).
- Entry timing + in-transit compliance checks.
- Immediate re-costing and supplier conversations.
- Early signals from CIT on IEEPA refund procedure.

60
days

- CIT case management steps (consolidation / steering structure).
- Potential refund framework taking shape.
- Congressional chatter around extensions or alternative tariff authorities.
- EU de minimis implementation guidance developments.

90
days

- Possible appeals impacting refund timeline.
- Signals on whether Section 122 is extended, replaced, or escalated.
- Corporate earnings commentary reflecting real tariff cost impacts.
- EU-U.S. trade posture shifts (retaliation or negotiated adjustments).

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](#)



> Take action with Avalara

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.

POLL QUESTION #4

Would you like to review what these 2026 tariff changes could mean for your landed costs and potential refund recovery **with an Avalara expert?**

A Yes

B No

POLL QUESTION #5

Are you interested in exploring the **duty drawback solution** discussed in today's session?

A Yes

B No

Q&A





Stay up to date with our blogs

- [Tariffs in 2026: How new trade rules impact your business](#)
- [Supreme Court overturns Trump's IEEPA tariffs](#)
- [How to request tariff refunds](#)
- [The difference between IEEPA tariffs, Section 232 tariffs, and Section 301 tariffs](#)
- [Reciprocal tariffs explained: Impact on your business](#)
- [What is the country of origin and why does it matter for customs?](#)
- [EU to end €150 customs duty exemption in 2026: What cross-border businesses must prepare for](#)



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](#)

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Tax compliance done right