TRADE + TARIFF TUESDAYS

Avalara

January 26, 2026

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Meet your presenter

Meet your presenters



Shane Bogdan

Director of Sales,
Cross-Border

Avalara

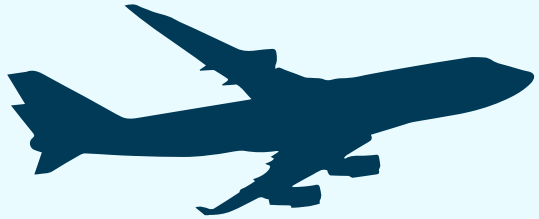
Agenda

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:

- **World Customs Organization**
  Abu Dhabi, UAE, January 28-30
  Booth A18
- **Manifest**
  Las Vegas, Nevada, February 9-11
  Booth 1014
- **WMX Americas**
  Miami, Florida, February 22-24
- **ICPA**
  San Antonio, Texas, March 1-4



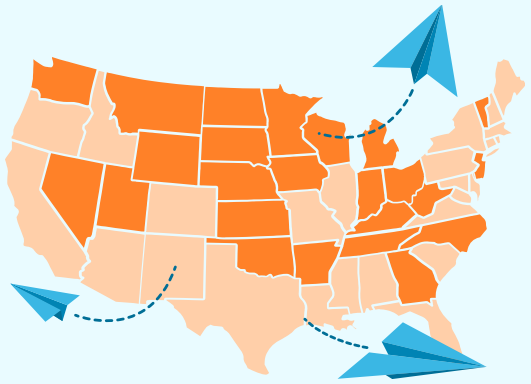
POLL QUESTION #1

As of late January, what is the current status of the Supreme Court case challenging tariffs imposed under the International Emergency Economic Powers Act (IEEPA)?

A	The Court **struck down the tariffs** and ordered immediate refunds
B	The Court **upheld the tariffs** as a valid use of emergency powers
C	The Court heard arguments but has **not yet ruled**, leaving the tariffs in place
D	The **case was dismissed** on procedural grounds

The latest news in trade and tariffs

Last 2 weeks at-a-glance



U.S.–Europe tariff threats

In mid-January 2026, the U.S. announced 10% tariffs (rising to 25%) on imports from Denmark, Norway, Sweden, France, Germany, the UK, the Netherlands and Finland, tied to their opposition to his push on Greenland. **The U.S. has since withdrawn the proposal.**

Tariffs on Taiwanese goods

On January 15, 2026, the U.S. announced a trade deal with Taiwan, replacing earlier higher rates. The deal includes a **15% cap** on both reciprocal and most Section 232 tariffs, and 0% tariffs on key products like generic drugs and aircraft parts.

Ongoing IEEPA tariff litigation

The U.S. Supreme Court delayed issuing a ruling on the legality of tariffs under the International Emergency Economic Powers Act (IEEPA). Companies are actively positioning for refund eligibility.
The next likely decision date is around Feb 20, 2026.

Advanced chips tariffs

Starting Jan. 15, the U.S. will impose **25% Section 232 tariffs** on certain advanced chips, including the NVIDIA H200 and AMD MI325X, but with broad carve-outs for chips used in U.S. data centers, R&D, startups, public sector, and other domestic applications—effectively targeting chips destined for non-U.S. end uses.

Canadian tariff warning

On Jan. 24, the U.S. said they would seek to impose a 100% tariff on all Canadian goods if Canada enters a trade deal with China, warning against Canada becoming a conduit for Chinese exports into the U.S..
No formal proclamation or CBP guidance has been issued

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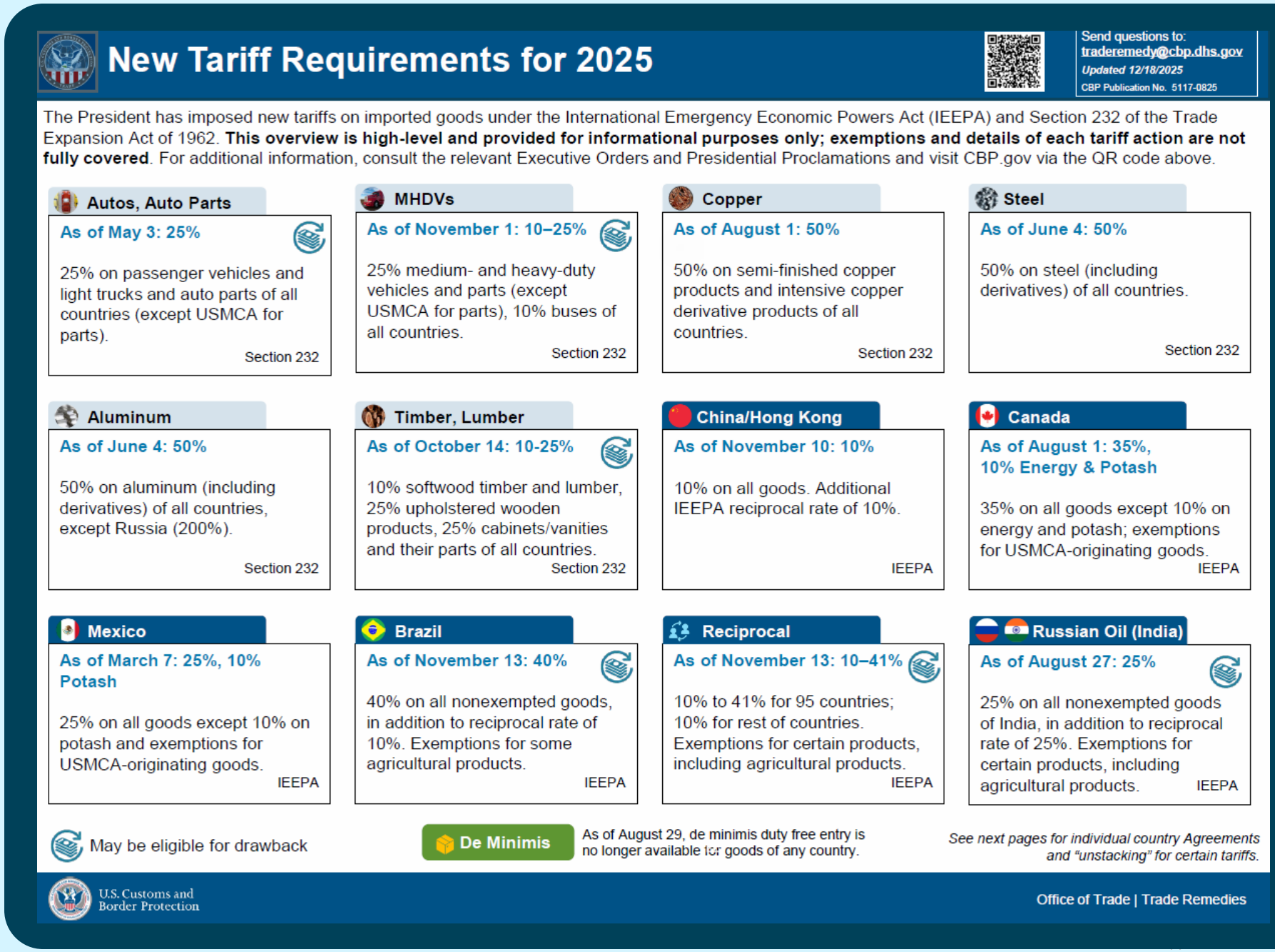
Overview as of

December 18, 2025



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CBP Trade Statistics*

Trade Remedy[1] Enforcement	Imported Products	FY 2026	FY 2025	FY 2024
Section 201	Solar Products[2]	$55.63 million	$438.03 million	$280.12 million
Section 232	Steel[3]	$1.78 billion	$5.00 billion	$1.22 billion
	Aluminum[4]	$1.47 billion	$3.10 billion	$388.22 million
	Automobiles[5]	$6.09 billion	$18.54 billion	-
	Automobile Parts[6]	$3.17 billion	$7.43 billion	-
	Copper[7]	$635.96 million	$585.62 million	-
	Wood Products[16]	$451.40 million	-	-
	Trucks and Buses[17]	$341.51 million	-	-
	Truck Parts[18]	$270.45 million	-	-
Section 301	China Products[8]	$5.38 billion	$35.58 billion	$38.19 billion
IEEPA	China and Hong Kong, all goods[9]	$7.74 billion	$30.13 billion	-
	Mexico, all goods[10]	$921.71 million	$5.56 billion	-
	Canada, all goods[11]	$472.00 million	$1.95 billion	-
	Reciprocal all countries, all goods[12]	$27.38 billion	$54.36 billion	-
	Brazil, all goods[13]	$610.83 million	$361.27 million	-
	India, all goods[14]	$1.58 billion	$414.49 million	-
	Japan, all goods[15]	$1.66 billion	$369.40 million	-

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 December 14, 2025.

For all footnotes and additional information, visit Trade Statistics | U.S. Customs and Border Protection

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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.

$216.7B

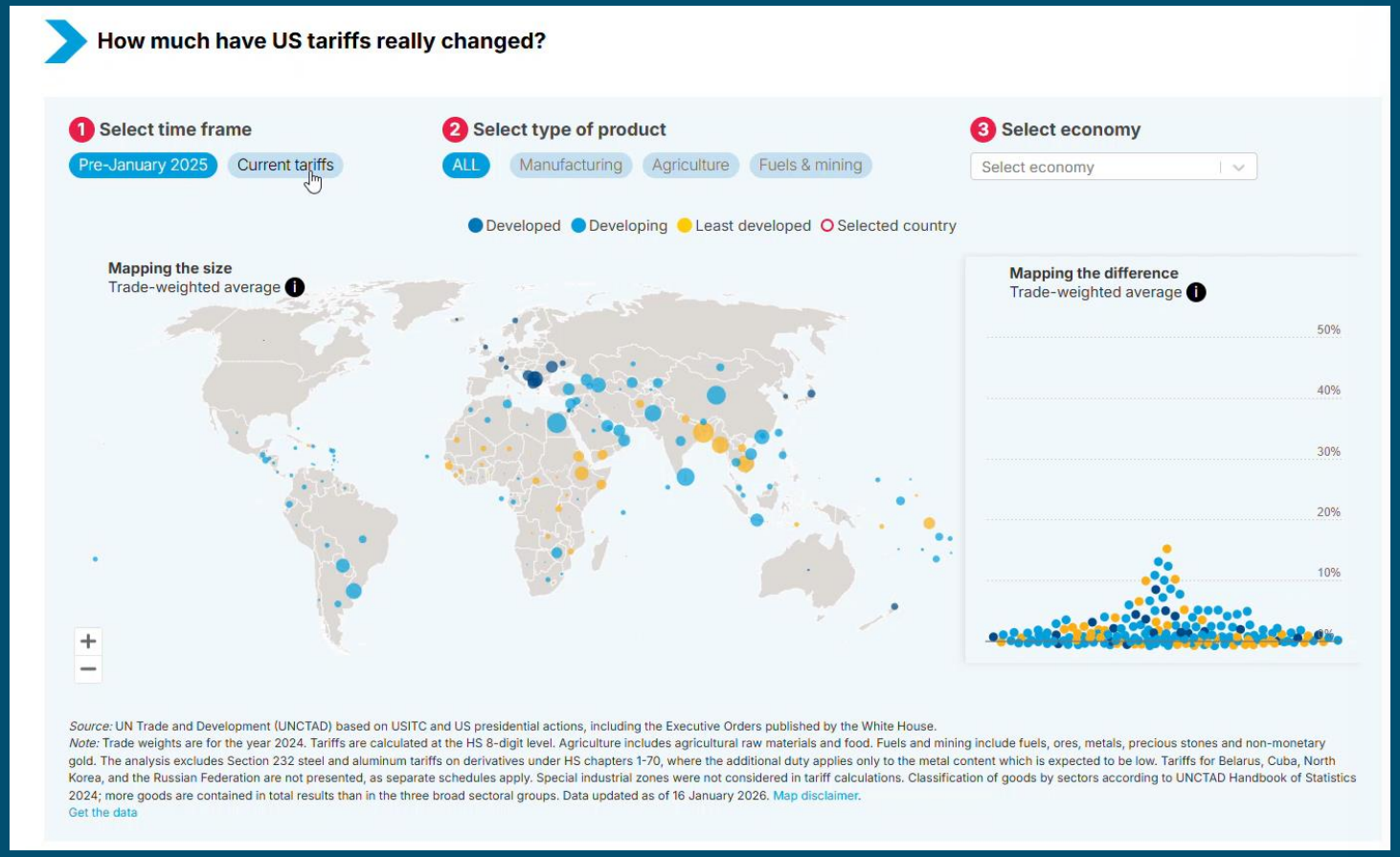
Total duties, taxes, and fees collected by CBP in 2025

$119.7B

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

Tracking the evolution of U.S. tariffs

UN Trade and Development, as of 16 January 2026



[Tariff dashboard – tracking the evolution of US tariffs | UN Trade and Development (UNCTAD)]

A year of change, visualized:

- **From stable to volatile:** What were once predictable trade lanes now show sharp divergence by country and product, increasing cost and compliance risk.
- **Why it matters:** These shifts are already impacting pricing, sourcing decisions, and landed costs for global businesses.
- **The takeaway:** Understanding where tariffs moved is the first step—knowing how to respond is what protects margin and ROI.

Details on 50%+ tariff rates:

- Country specific from India and Brazil
- Sector specific on iron/steel, aluminum, and copper

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

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End of de minimis exemptions

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

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

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

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

Other countries plan to eliminate their de minimis exemptions

- **January 1, 2026**
  Thailand will drop threshold from 1,500 baht to 1 baht
- **Q1 2026**
  The EU will eliminate de minimis (€150 threshold)
- **2028**
  UK will eliminate de minimis (£135 threshold)

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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).

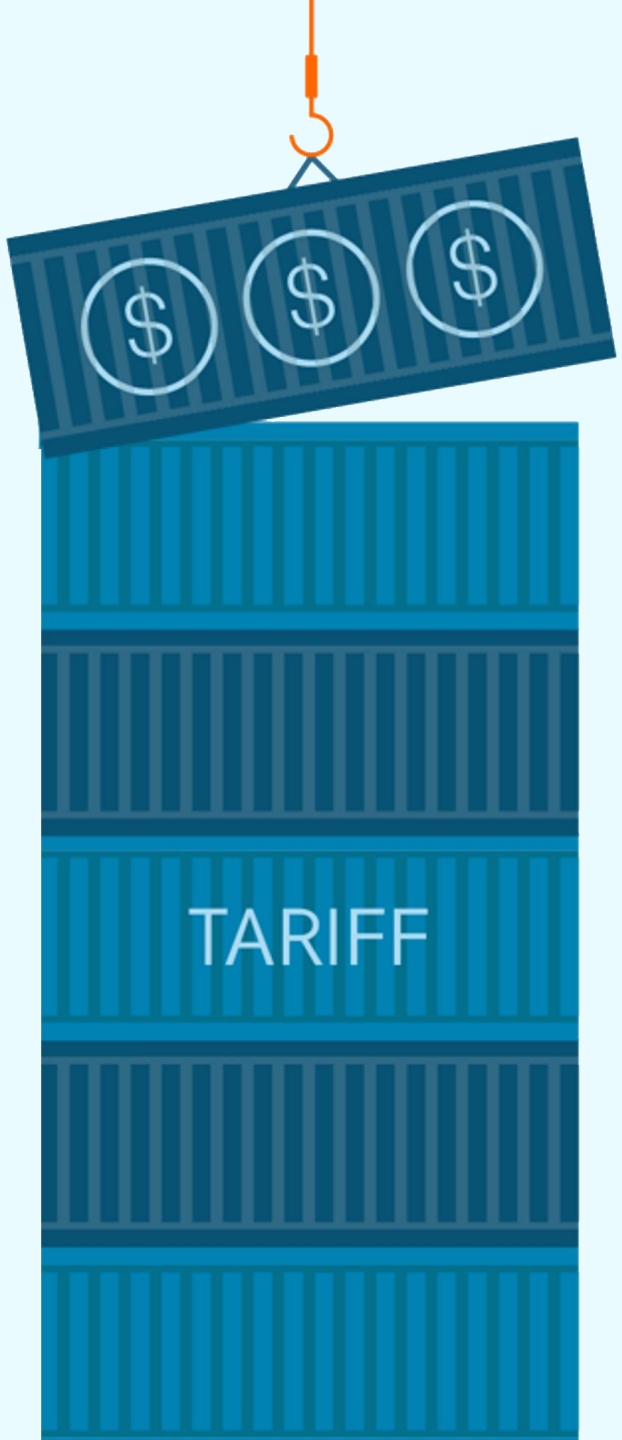
Oct. 30 — Reply brief

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.

USMCA 2026 review



The review will assess how the trade pact has functioned since its 2020 launch and determine whether the agreement will continue unchanged.

The review is expected to focus on automotive rules of origin, labor enforcement, dispute settlement, energy policy, and the surge in nearshoring and cross-border trade, with outcomes ranging from minor adjustments to heightened trade tensions if concerns are not resolved.

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Implications to your business

4

puzzle pieces of global trade



- De minimis exemptions
- Country of origin
- Tariff code classification
- Declared value

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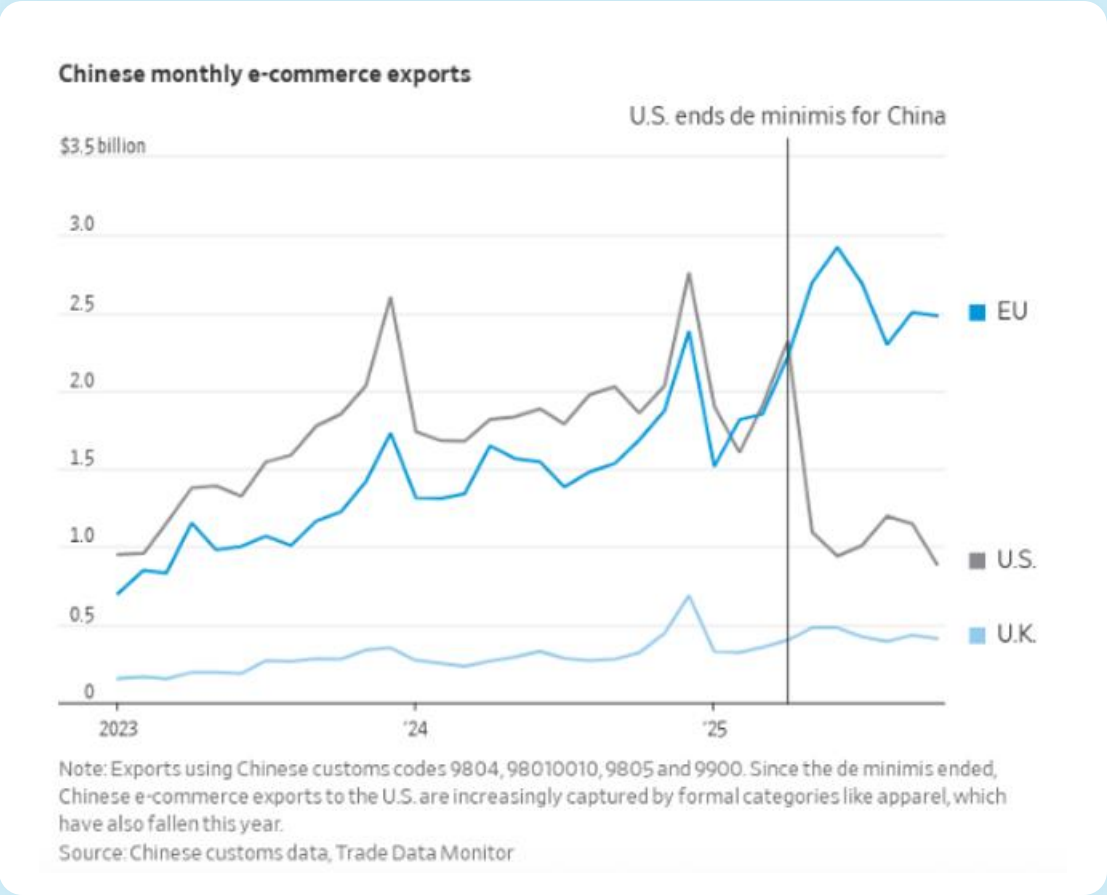
Low-cost Chinese goods redirected toward Europe and other third markets



European retailers and consumers are seeing an influx of cheap Chinese products originally destined for the U.S., intensifying competition with local producers.

This market shift reflects a broader **trade diversion effect**: when a major importer like the U.S. closes its market via tariffs, exporters look for alternative destinations, potentially undercutting prices in Europe and other regions.

Economists note this type of redirection can strain European producers in sectors like electronics, apparel, and consumer goods as cheap Chinese supplies fill demand gaps.

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5 proactive steps to building a resilient supply chain strategy



1. Explore diversification of shipping carriers and/or sources of supply
2. Automate global trade compliance
3. Work with a customs broker to lean on their network and expertise
4. Ensure product details are compliant with global trade regulations
5. Build inventory to absorb short-term headwinds

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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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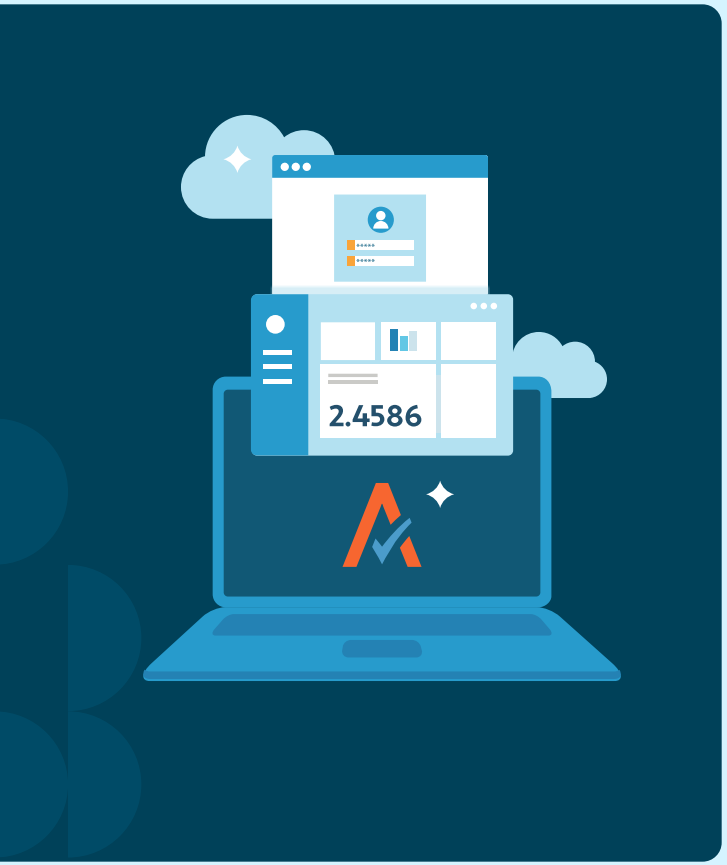
Take action with Avalara and ProShip

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.

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POLL QUESTION #4

Would you like to do a 2026 review of your HS codes and trade compliance strategy **with an Avalara expert**?

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



Tax compliance done right