



TRADE+TARIFF TUESDAYS

Avalara

June 10th, 2025

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Avalara CRUSH *On Tour*

Get on the list
today!

1 DAY

A value-packed day that gives you the flexibility to choose what works best for you

2 TICKET OPTIONS

General Admission

FREE

All-Access Pass

Hands-on training and
CPE credits

\$99

3 KEY HIGHLIGHTS

- Support via 1:1 Learning Lab appointments
- Learning through Insight Sessions and Fireside Chats
- Training on Avalara products (All-Access Pass required)



CRUSH on Tour also includes activations such as our **Product Pavilion, food and beverages, and a networking happy hour** – all in a setting where you can explore at your own pace.

events.avalara.com

#AvalaraCRUSH



➤ **Meet your presenters**

Meet your presenters



Craig Reed

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Shane Bogdan

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George Trantas

*Sr. Director,
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Avalara

Agenda

01 **The latest news in trade compliance**

02 **Implications to your business**

03 **Take action with Avalara**

04 **Q&A**

POLL QUESTION #1

Based upon the ruling from the Court of International Trade in May, what distinct U.S. trade measure exceeded any authority granted to the President?

A Section 232

B IEEPA

C Section 301

D Section 321



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

What was announced on “Liberation Day”

Information from President Trump’s April 2 Rose Garden press conference

On pause for 90-days
(pause ends July 9th, 2025)
except for China & baseline 10%

	Tariffs charged to the U.S. (including currency manipulation and trade barriers)	U.S. discounted reciprocal tariffs	Effective date		U.S. imposed tariffs	Effective date
China	67%	34%	April 9, 2025, at 12:01 a.m. ET	Canada	25% on non-USMCA compliant goods 10% on non-USMCA compliant energy and potash	March 4, 2025, at 12:01 a.m. ET
European Union	39%	20%		Steel and aluminum articles from most countries	25%*	March 12, 2025, at 12:01 a.m. ET
Vietnam	90%	46%		Mexico	25% on non-USMCA compliant goods (including energy products)	March 31, 2025, at 12:01 a.m. ET
Taiwan	64%	32%		Good imported from countries that buy oil or gas from Venezuela	25%	April 2, 2025, at 12:01 a.m. ET
Japan	46%	24%		Automobiles made outside of the U.S.	25%	April 3, 2025, at 12:01 a.m. ET
India	52%	26%		Semiconductors, pharmaceuticals, and timber	25%	April 3, 2025, at 12:01 a.m. ET
South Korea	50%	25%		Minimum baseline tariff on all imports	10%	April 5, 2025, at 12:01 a.m. ET
Thailand	72%	36%				
Cambodia	97%	49%				
United Kingdom	10%	10%				

* Increased to 50% effective June 4th (announced May 30th)

See the full chart image and list [here](#)

See [The White House Fact Sheet](#) and [Executive Order](#) for more details

Court Rulings on Trump's Tariffs

“Liberation day” brought sweeping tariffs, retaliatory actions from major trade partners, and changes to de minimis exemptions and the big question – will these hold up in court?

U.S.-China Trade Tensions

- **May 14** - The U.S. and China agreed to a 90-day suspension of high retaliatory tariffs.
- **May 30** - President Trump accused China of violating the tariff truce by delaying rare earth mineral exports, leading to escalated tensions and a drop in U.S. stock markets.

May 28

The U.S. Court of International Trade ruled that many of President Trump's tariffs exceeded his authority under the International Emergency Economic Powers Act of 1977, ordering a rollback of duties within **ten days**.

May 29

A federal appeals court temporarily stayed the lower court's decision, allowing the tariffs to remain in effect pending further legal proceedings.

May 30

The Trump administration announced plans to appeal to the Supreme Court, arguing that the court's decision oversteps judicial bounds and undermines executive authority.



Where are we now?

As of June 2nd, 5pm PST

China

- **30%** on majority of Chinese imports – **May 14**
- Section 301 tariffs remain fully in effect, impacting many electronic and industrial products.
- Ended duty-free de minimis treatment for China and Hong Kong on **May 2**
- Section 301 tariff exclusions extended for 164 products and 14 solar manufacturing equipment items **June 1 - August 31**



Canada & Mexico (USMCA)

- USMCA compliant goods will continue to see a **0%** tariff
- Non-USMCA compliant goods will see continue to see a **25%** tariff
- **Canada:** Non-USMCA compliant energy and potash will continue to see a **10%** tariff



General tariffs, EU, EMEA, APAC

- **25%** on steel and aluminum effective **March 12** – increasing to **50%** on **June 4**
- **25%** on automobiles effective **April 3**
- **25%** on countries that buy oil or gas from Venezuela effective **April 2**
- **10%** on all countries effective **April 5**
- Individualized reciprocal tariffs from Liberation Day were set to take effect **April 9** and are now **paused until July 9**
- **UK:** **10%** on British exports still in place, **steel and aluminum tariffs will be removed**, automobile tariffs on UK cars reduced to **10%** for the first 100,000 vehicles annually
- **EU:** President Trump proposed a **50%** on all European Union goods, which are now **paused until July 9**



Reciprocal Tariffs

- CHINA**
10% on majority of U.S. imports – **May 14**
- CANADA**
 - **25% tariffs** on \$30 billion worth of U.S. goods effective **March 4**
 - **25% tariffs** on \$29.8 billion worth of U.S. goods effective **March 13**



Access our new
[Overview and table of U.S. tariffs by country](#)
to stay up to date

Breaking down recent U.S. trade measures

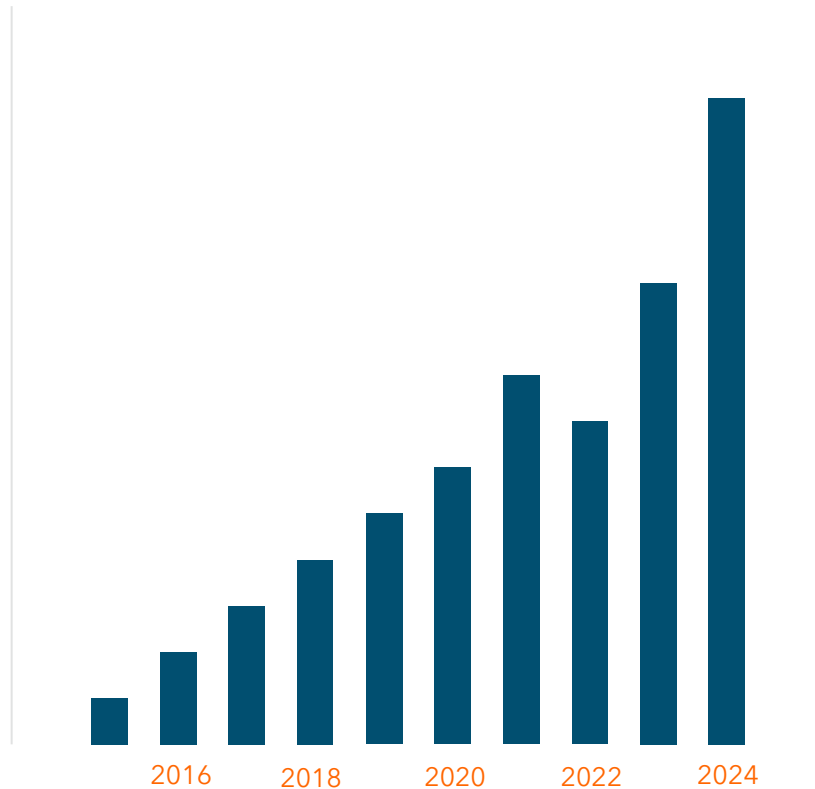
Aspect	Section 232	Section 301	IEEPA
Legal Authority	Trade Expansion Act (1962)	Trade Act (1974)	IEEPA (1977)
Purpose	National security threat	Unfair trade practices	National emergency (broad)
Trigger	Commerce Dept. investigation	USTR investigation	Presidential emergency declaration
Scope	Specific products (e.g., steel)	Specific countries/products	Broad, potentially universal
Process	Formal investigation, consultation	USTR-led, public input	Highly discretionary, no formal process
Examples	Steel (25%), aluminum (10%) tariffs	China tariffs (10%-25%)	2025 tariffs on Canada, Mexico, China
Controversy	Broad “security” definition	Trade war escalation	Legality, congressional bypass
Oversight	Moderate (Commerce, Congress)	Moderate (USTR, public)	Minimal (presidential discretion)



End of de minimis exemptions

Effective May 2, 2025, for Peoples Republic of China and Hong Kong

VOLUME OF 'DE MINIMIS' SHIPMENTS TO THE US



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

Duty-free de minimis treatment ends

for goods from China and Hong Kong under \$800

Non-postal shipments

under \$800 now subject to all applicable duties

Postal shipments

under \$800 face a flat duty: 54% of value or \$100/package

Carrier requirements

include reporting shipments, proper tariff code, content information, maintain international bonds, and remit duties to CBP

CBP requirements

may change to formal entry for any package

President Trump has indicated an intent to eliminate de minimis entirely as of July 1, 2027



➤ **Implications to your business**

4

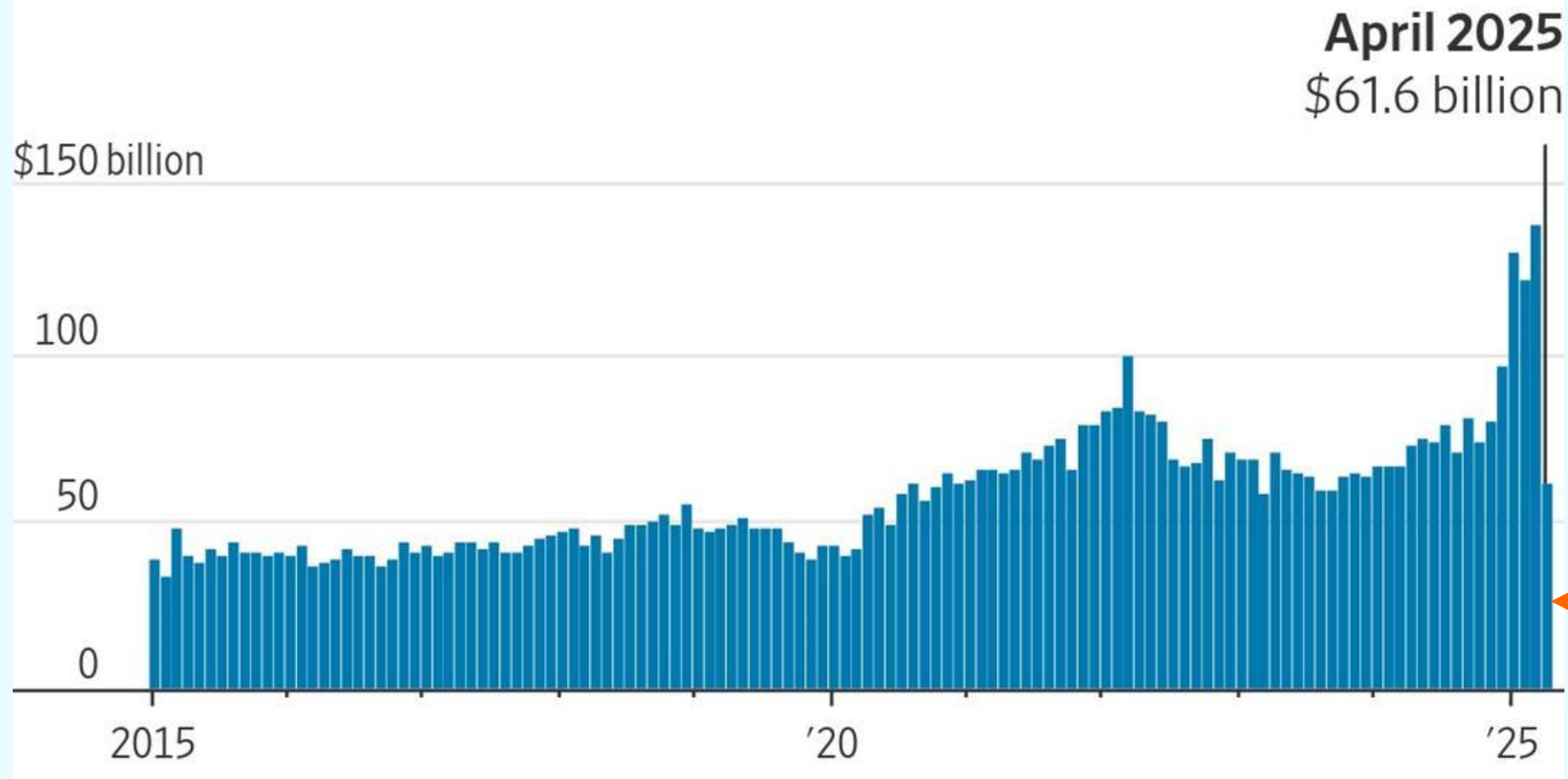
puzzle pieces of
global trade



U.S. trade impacts

The biggest drop on record, as Trump's new tariffs hit demand

U.S. trade deficit, goods and services, monthly



16%
Drop in U.S.
imports of goods
and services

In dollar terms, it was the biggest monthly change in the goods and services deficit in data going back to 1992

Tariffs and rare earth minerals

Trade disruption and strategic shifts

U.S. tariffs on rare earth minerals

- 25% tariff on Chinese rare earth magnets effective Jan 1, 2026—targeting neodymium, samarium, and related inputs

Trade talks

- The U.S. delegation seeks commitments from China to resume and increase the supply of rare earths, while China demands concessions on technology export restrictions

China's countermove: Export controls

- Export restrictions on key rare earth elements (e.g., dysprosium, terbium) disrupt global supply—particularly affecting **U.S. manufacturing**

Domestic product push

- U.S. firms (e.g., MP Materials) ramping up rare earth processing to localize supply chains and reduce exposure to geopolitical risk

Implications for businesses

- Expect delays and cost increases in sourcing key electronic, automotive, and defense components
- Pressure on margins; cost forecasting complexity is rising due to uncertain inputs
- Increased need to reassess supplier portfolios, explore alternative markets, and evaluate nearshoring options
- R&D may need to identify non-rare-earth alternatives for long-term resilience

Impact of Tariffs: Cost pressures mount across industries

Rising costs & price hikes

Businesses are facing higher input costs—steel, aluminum, electronics—prompting significant price increases across product lines.

Supply chain revamps

Firms are setting up internal task forces to reassess sourcing, optimize logistics, and negotiate supplier terms to offset tariff burdens.

Layoffs & Restructuring

Cost pressures are triggering workforce reductions and hiring freezes, particularly among manufacturers and import-reliant businesses.

Cash flow & margin compression

Controllers and CFOs report tighter margins, with reduced flexibility in passing costs to consumers amid competitive pressure.

What businesses and consumers can expect as tariffs are reinstated:

- Longer lead times and renegotiated contracts as suppliers react to input cost volatility.
- Online retailers experiencing shrink in basket sizes and increased return rates due to price sensitivity.

Businesses react to tariff turmoil

Major impacts the administration may not have considered



↓ \$65M

Estimated decrease in annual profit outlook from PVH (Calvin Klein) due to tariffs

3,000

Jobs will be cut at Volvo as they respond to trade uncertainty, high costs, and a slowdown in electric vehicle demand

22

Days is the average transit time on the Transpacific, customers will take the 90-day window of opportunity to ship as many goods as possible into the United States.

20%

Decrease in Lululemon's stock value after company lowers its earnings forecast, citing trade war and pullback in consumer spending

↑ 58%

Weekly increase in the rate to ship a 40-foot container from Shanghai to LA in the week ending 5/31. A rate of \$5,172 up from \$2,000 in January

4M

packages per day are being imported under the de minimis exemption; 70% of those are coming from China

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

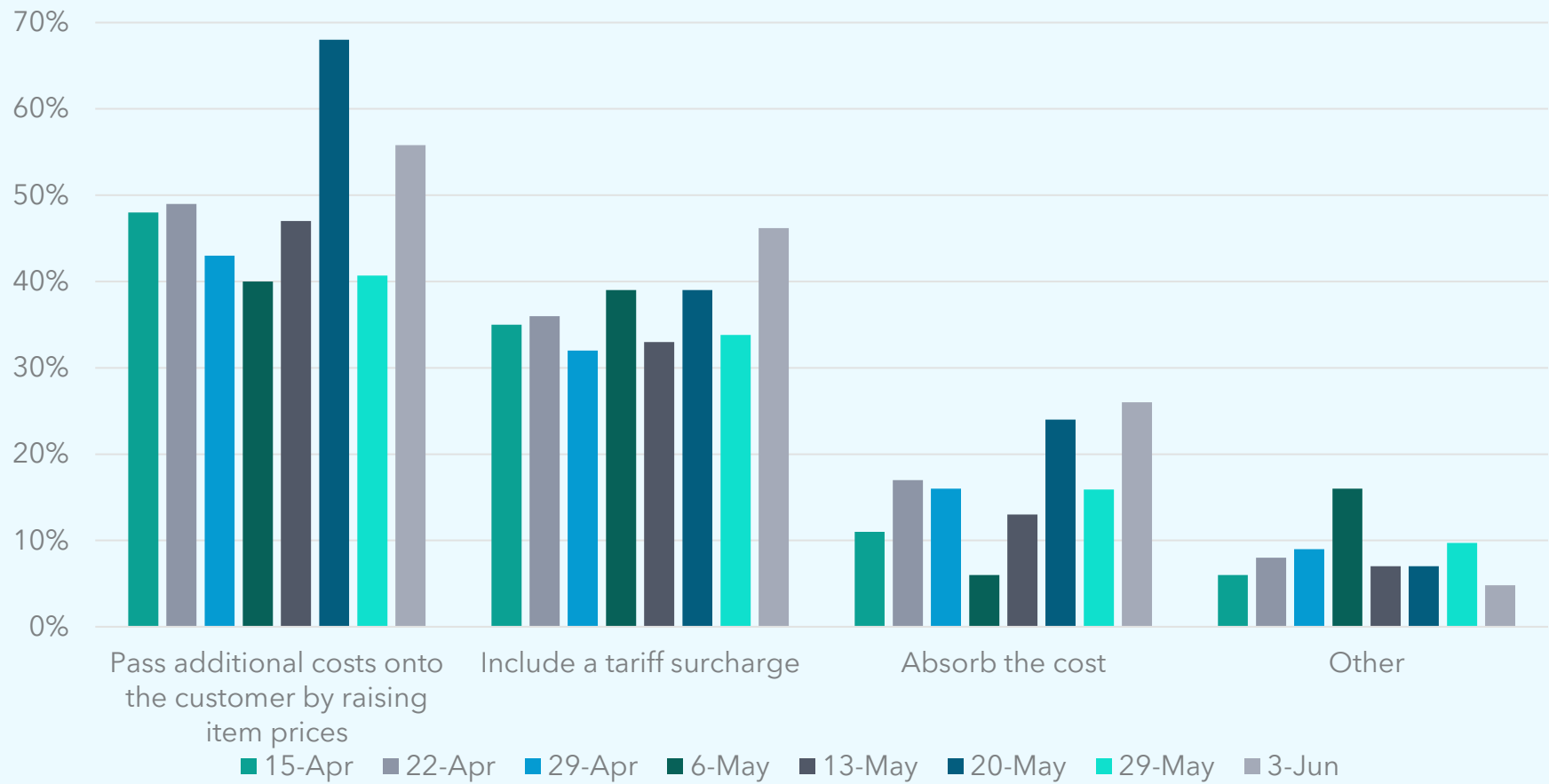
- B** Include a tariff surcharge

- C** Absorb the cost

- D** Other - Please specify

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

Past week's responses



56%

Pass costs onto customer

Protecting margins while keeping prices competitive will be important

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

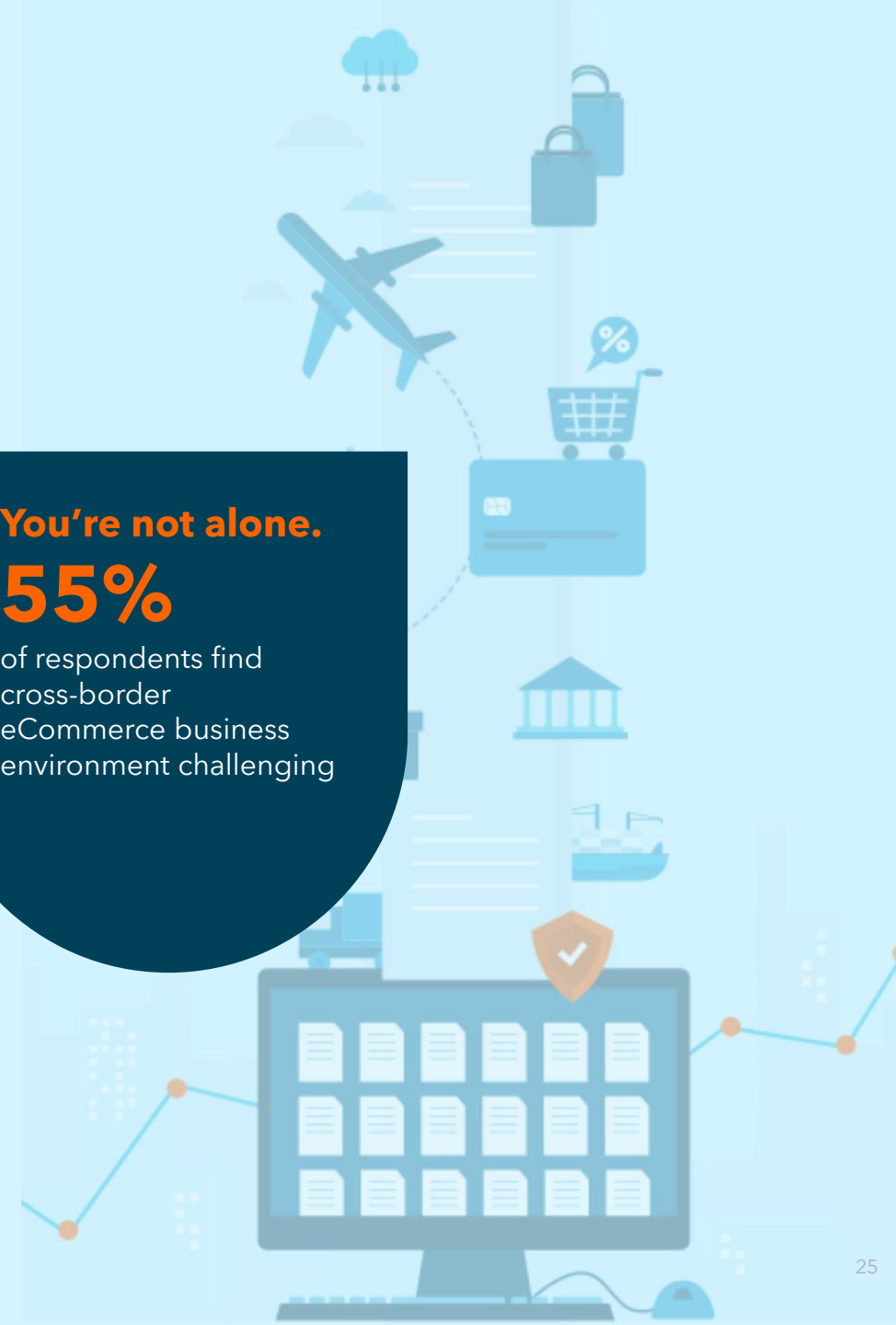
Under- or over-charging customs duties and import taxes

03

Added costs for customers and supply chains

You're not alone.
55%

of respondents find cross-border eCommerce business environment challenging

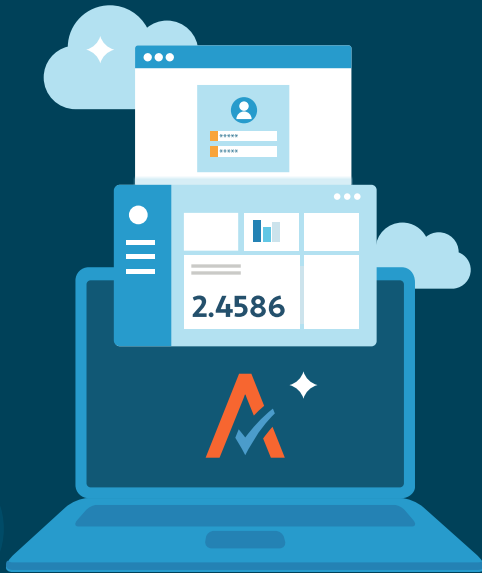




➤ **Take action with Avalara**

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 Restrictions Management

Learn about applicable government restrictions on selling goods across borders prior to shipment to alleviate products being denied at the border.

> **Demo**

Demo

Avalara Self-Serve Tariff Code Classification





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 destinations - U.S., Canada, EU
- Unlimited Country of Origin selections
- 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 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 expert about your global trade compliance?

A Yes

B No

Q&A





Stay up to date with our blogs

- [How to prepare for Trump tariffs](#)
- [What you need to know about the US-Canada trade war](#)
- [How to handle U.S.-China tariffs and the end of de minimis](#)
- [De minimis exemption changes are coming: Is your business ready?](#)
- [Trump steel and aluminum tariffs: What you need to know - Avalara](#)



Keep learning

- [View Tariff Code Classification Demo](#)
- [Simplify Harmonized System codes to support global trade webinar](#)
- [DC360 + Avalara How tariffs and trade wars will impact cross-border ecommerce webinar](#)
- [Cross Border Resources - Avalara](#)
- [U.S. Tariffs by Country - 2025 Overview and Impact Summary - Avalara](#)

Global trade glossary

Term	Definition
Delivered Duty Paid (DDP)	The seller assumes all responsibility, risk, and costs associated with transporting goods to the buyer's location, including import duties, taxes, and customs clearance.
Delivered Duty Unpaid / Delivered at Place (DDU /DAP)	The buyer being responsible for import duties and taxes. Under DAP, the seller delivers the goods ready for unloading but does not handle customs clearance or pay duties.
De minimis	A threshold below which imports are exempt from customs duties and/or taxes. Varies by country (e.g., USD 800 in the U.S. for most shipments). Critical for assessing cross-border e-commerce profitability and compliance.
Landed cost	The total cost of a product once it has arrived at the buyer's location. Includes product cost, shipping, insurance, duties, taxes, handling, and any other import charges.
Country of Origin (CoO)	A document certifying the country in which the goods were manufactured. It may impact duties under free trade agreements and is often required for customs clearance.
Tariff code	General term referring to classifications used to impose duties on imports, varying by country and often based on the HS system.
Harmonized System (HS) codes	Internationally standardized 6-digit codes used to classify traded goods.
Harmonized Tariff Schedule (HTS) codes	10-digit extensions of HS codes used by the U.S. to determine import duties and regulations.
Schedule B code	10-digit codes used by the U.S. to classify exported goods, maintained by the U.S. Census Bureau .
Product classification	The process of assigning the correct HS/HTS/Schedule B code to a product. Crucial for determining duties, eligibility for trade agreements, export controls, and reporting.
IEEPA	U.S. legislation empowering the President to regulate commerce in response to national emergencies, including sanctions and trade restrictions on entities or countries.
Section 232	Part of U.S. trade law that allows the President to impose trade restrictions (e.g., tariffs) on imports that threaten national security (e.g., steel and aluminum).
Section 301	Allows the U.S. to take action against foreign trade practices that are unfair or discriminatory. Often used to impose tariffs in response to intellectual property theft or trade imbalances (e.g., U.S.-China trade war).
Merchant of Record	The entity legally responsible for selling the product to the end customer, including handling tax collection, payment processing, compliance, and refunds.

Upcoming webinars

avalara.com/webinars

Webinars Calendar

- **6/12** HS codes 101: Get classification right for cross-border trade
- **6/17** Trade and Tariff Tuesdays with special guest Steve Norris of Logicbroker
- **6/24** Trade and Tariff Tuesdays
- **6/26** 2025 tax changes: Midyear update
- **7/10** Trade and Tariff Tuesdays



The logo features the word "Avalara" in a white, sans-serif font. The letter "A" is stylized with a white checkmark integrated into its left side. The background is a solid orange color with a pattern of overlapping, semi-transparent triangles in various shades of orange.

Avalara

Tax compliance done right