

# Regulatory News: Alerts & Updates

# Regulatory Alert: Updated Guidance on U.S. Aluminum Import Tariffs

March 13, 2025

# **BACKGROUND**

The following guidance relates to Section 232 of the Trade Expansion Act of 1962, which authorizes the President to adjust imports that threaten to impair national security.

On February 10, 2025, President Trump issued <u>Proclamation 10895</u> increasing the additional tariff rate on aluminum imports from 10% to 25% for all countries except Russia. The proclamation also expanded Section 232 tariffs to cover certain derivative aluminum products and introduced additional reporting requirements, including mandatory smelt and cast origin declarations for all affected imports. For certain derivative products, importers must also report the weight of the aluminum content in kilograms (kg) and separately declare aluminum and non-aluminum content values where applicable. **This change is effective March 12, 2025**.

The proclamation removes previous exemptions from the additional tariff for Argentina, Australia, Canada, Mexico, the European Union, and the United Kingdom. Aluminum articles of Russian origin remain subject to an additional 200% tariff established previously in Proclamation 10522.

The decision follows an assessment by the Department of Commerce finding an increase in aluminum imports from previously exempted countries. Countries that were previously exempt or subject to an import quota will now be subject to the additional 25% tariff.

# WHAT HAS CHANGED?

# **Section 232 Tariff Increase:**

Aluminum imports from all countries, except Russia, will face an increase in the additional tariff rate from 10% to 25% starting March 12, 2025.

- The base rate tariff for the product being imported will also apply.
- Aluminum articles of Russian origin, and all derivative aluminum products where any amount
  of the primary or derivative aluminum is smelt or cast in Russia are subject to an existing
  additional 200% tariff previously established in Proclamation 10522.

# **Exemptions Ended:**

Section 232 tariffs are reinstated for Argentina, Australia, Canada, Mexico, the European Union, and the United Kingdom. Tariff exemptions for these countries, including quota arrangements, are revoked effective March 12, 2025.

# **Tighter Product Classification Reviews:**

U.S. Customs and Border Protection (CBP) will increase scrutiny of aluminum imports to prevent misclassification and tariff evasion. Importers must ensure that all aluminum imports are properly documented, including:

- Primary and secondary country of smelt and cast
  - For more details on country of aluminum smelt and cast reporting requirements, review the previously published article linked in the References section below.
- Certificate of analysis where required
  - See question 7 in the Q&A section for more details about which articles require a certificate
    of analysis for entry
- Strict Penalties for Misclassification: The proclamation instructs CBP to issue maximum fines without consideration of mitigating factors for any misclassification resulting in the underpayment of additional Section 232 tariffs.

# **Expanded Monitoring:**

CBP will work with the Department of Commerce to detect and prevent attempts to evade tariffs through minor processing or alteration prior to importation.

#### **Termination of Product Exclusions:**

Effective immediately, no new exclusions will be granted, and all existing generally approved exclusions (GAEs) will expire March 12, 2025. Previously granted product exclusions will remain in effect until their expiration date or until the allocated import volume is met.

# **Expanded Coverage of Derivative Aluminum Articles:**

Proclamation 10895 expands Section 232 tariffs to include additional derivative aluminum articles previously not covered by Section 232 tariffs.

- Derivative aluminum articles now classified under Harmonized Tariff Schedule of the United States (HTSUS) Headings 9903.85.04 through 9903.85.09 are subject to tariffs.
- Derivative aluminum articles are identified in <u>Annex 1 of Proclamation 10895</u> and will be subject to the additional tariffs effective March 12, 2025.
- For any derivative aluminum article identified in Annex I that is not classified under HTSUS Chapter 76, the additional 25% duty will apply only to the aluminum content of the derivative article.
- Importers must declare the aluminum content in kilograms (kg) when reporting under HTSUS 9903.85.08
- Derivative aluminum articles processed in another country from aluminum articles that were smelted and cast in the U.S. will **not** be subject to these tariffs.

#### **Drawback Limitations:**

Importers will be unable to claim duty drawback (refund of duties) on exports of aluminum articles and derivative aluminum articles subject to this tariff.

# **Foreign Trade Zone (FTZ) Requirements:**

- Effective March 12, 2025, aluminum and derivative aluminum articles may only be admitted into an FTZ under privileged foreign status.
- Aluminum and derivative aluminum articles will be subject to the 25% tariff when withdrawn for consumption.
- Smelt and cast reporting requirements apply to goods admitted into an FTZ.

# **Tariff Summary Table**

The following table provides an overview of the updated tariffs applicable to aluminum and derivative aluminum articles under HTSUS Headings 9903.85.02 through 9903.85.09:

HTSUS HEADING	COVERED PRODUCTS	DUTY RATE	SPECIAL NOTES
9903.85.02	Aluminum products (except derivative articles in subdivision (g))	25%	Applies to most aluminum imports
9903.85.04	Derivative aluminum articles in subdivision (i)	25%	Existing aluminum derivative articles under Section 232
9903.85.07	Derivative aluminum articles in subdivision (j)	25%	New aluminum derivative articles classified in Chapter 76 subject to Section 232
9903.85.08	Derivative aluminum products in subdivision (k)	25% on aluminum content	New aluminum derivative articles not classified in Chapter 76 subject to Section 232  Duty applies <b>only</b> to the declared aluminum content
9903.85.09	Derivative aluminum articles processed outside the U.S.	Exempt	Must be made from U.S. smelted and cast aluminum

# 1. How does the tariff change impact different countries?

Currently, a Section 232 additional 10% tariff applies to aluminum imports from most countries, with certain countries benefitting from exemptions or import quotas.

On March 12, 2025, the additional tariff will increase from 10% to 25% for all countries except Russia, and exemptions for Argentina, Australia, Canada, Mexico, the EU, and the UK will be revoked.

Aluminum products from Russia continue to be subject to an additional 200% tariff.

# 2. When do these tariff changes take effect?

These changes will be implemented on 12:01 a.m. eastern time on March 12, 2025.

Derivative aluminum imports, classified in Chapter 76 of the HTSUS entering the U.S. on or after this date will be subject to the tariff.

Derivative aluminum products not classified in Chapter 76 (HTSUS 9903.85.08) are also subject to the additional 25% tariff on the aluminum content of the product, effective immediately.

# 3. Are there any product exclusions?

No. Effective immediately, the Department of Commerce will no longer process or approve any new product exclusions. Previously granted product exclusions will remain in effect until their expiration date or until the allocated import volume is met.

# 4. How will I know which aluminum products are subject to the tariff?

Importers should review the updated <u>Annex I</u> published in the Federal Register on March 5, 2025, which provides the HTSUS classifications for applicable derivative aluminum products under Proclamation 10895.

# 5. What happens if aluminum articles are misclassified?

Upon review, if CBP discovers misclassification resulting in a failure to pay additional Section 232 tariffs, they are instructed by the proclamation to assess the maximum penalty permitted by law against the importer. The proclamation does not permit CBP to consider mitigating factors when making this determination and assessing a penalty.

# 6. Can importers claim drawback on aluminum articles subject to this tariff?

No. Duty drawback (a refund of duties paid on imports that are later exported) is not allowed for aluminum articles and derivative aluminum articles covered by this proclamation.

# 7. Which aluminum articles require a Certificate of Analysis and/or country of smelt and cast reporting?

For aluminum and aluminum alloy imports classified under HTSUS subheadings 7601.10.60, 7601.20.60, 7601.20.90, and 7602.00.00, 19 CFR 141.89 requires a statement of the percentages by weight of any metallic elements contained in the article. This information can be included on the invoice or a separate document.

For additional information on country of smelt and cast reporting requirements, refer to the CBP Section 232 Aluminum Smelt and Cast Requirements FedEx Regulatory Alert linked below. Shipment documents missing this information may be subject to clearance delays.

# 8. How should importers report derivative aluminum articles in their entries?

Importers must declare both the total article weight and the aluminum content weight in kg for items classified under HTSUS Heading 9903.85.08.

- HTSUS 9903.85.08 is now in effect as of March 12, 2025.
- The 25% duty must be applied to the aluminum content value.
- If the aluminum content value is unknown or equals the entered value, the duty must be reported under HTSUS 9903.85.08 based on the entire entered value and reported on a single entry line.
- If the aluminum content value is lower than the total entered value, report the entry on two lines:
  - First line: Non-aluminum content (with full entered value minus aluminum content).
  - Second line: aluminum content (with applicable 25% duty).

For detailed reporting guidance, importers should review <u>CSMS #64384496</u> for instructions on how to properly declare aluminum content and duty calculations.

# 9. Where can importers find official updates?

Importers can find official updates in the <u>Federal Register</u>, on the <u>Department of Commerce</u> and <u>CBP websites</u>.

# **RESOURCES**

Adjusting Imports of Aluminum into the United States

https://www.federalregister.gov/documents/2025/02/18/2025-02832/adjusting-imports-of-aluminum-into-the-united-states

CSMS # 64348288 - GUIDANCE: Import Duties on Imports of Aluminum and Aluminum Derivative Products <a href="https://content.govdelivery.com/bulletins/gd/USDHSCBP-3d5e080?wgt\_ref=USDHSCBP\_WIDGET\_2">https://content.govdelivery.com/bulletins/gd/USDHSCBP-3d5e080?wgt\_ref=USDHSCBP\_WIDGET\_2</a>

CSMS # 64384496 - UPDATED GUIDANCE: Import Duties on Imports of Aluminum and Aluminum Derivative Products

https://content.govdelivery.com/bulletins/gd/USDHSCBP-3d66df0?wgt\_ref=USDHSCBP\_WIDGET\_2

Implementation of Duties on Aluminum Pursuant to Proclamation 10895 Adjusting Imports of Aluminum Into the United States

https://www.federalregister.gov/documents/2025/03/05/2025-03596/implementation-of-duties-on-aluminum-pursuant-to-proclamation-10895-adjusting-imports-of-aluminum

Regulatory Alert: CBP Section 232 Aluminum Smelt and Cast Requirements\*
<a href="https://www.fedex.com/content/dam/fedex/us-united-states/International/upload/CBP\_Section-232\_Aluminum\_Smelt\_and\_Cast\_Requirements.pdf">https://www.fedex.com/content/dam/fedex/us-united-states/International/upload/CBP\_Section-232\_Aluminum\_Smelt\_and\_Cast\_Requirements.pdf</a>

Section 232 Aluminum: Quick-View Chart

https://content.govdelivery.com/attachments/USDHSCBP/2025/03/11/file\_attachments/3192454/ Section%20232%20chart%20Final.pdf

Section 232 Aluminum: List of Aluminum HTSUS Subject to Section 232 <a href="https://content.govdelivery.com/attachments/USDHSCBP/2025/03/11/file\_attachments/3192386/">https://content.govdelivery.com/attachments/USDHSCBP/2025/03/11/file\_attachments/3192386/</a> aluminumHTSlist%20final.pdf

\*Please note that additional derivative articles are included in the latest update that are not included in this previous communication.