



Regulatory News Alerts & Updates

Regulatory Alert: US and EU Trade Deal Implementation

October 22, 2025

Overview

The United States (US) and European Union (EU) have finalized a trade agreement that changes how EU products are tariffed when entering the US. This agreement modifies the reciprocal tariff rate on many products imported from the EU such as unavailable natural resources, aircraft and aircraft parts, generic pharmaceutical products (including chemical precursors), and certain essential oil products. The agreement also modifies the Section 232 rate for automobiles and automobile parts from the EU.

These changes apply **retroactively to August 1, 2025, for automobiles and automobile parts**, and **retroactively to September 01, 2025, for all other products covered by this action**. Products subject to Section 232 actions remain exempt from IEEPA reciprocal tariff actions.

What has changed for automobiles and automobile parts?

Automobiles

- If the column 1 duty rate is greater than or equal to 15%, no additional reciprocal duty applies.
 - Report as **9903.94.50**.
- If the column 1 duty rate is less than 15%, the combined rate = 15%.
 - Report as **9903.94.51**.

Automobile parts

- If the column 1 duty rate is greater than or equal to 15%, no additional reciprocal duty applies.
 - Report as **9903.94.52**.
- If the column 1 duty rate is less than 15%, the combined rate = 15%.
 - Report as **9903.94.53**.

What has changed for unavailable natural resource products?

- Covered natural resource products are no longer subject to a reciprocal tariff rate.

Content intended for FedEx customers only

- Refer to Annex I of the implementing Federal Register Notice (see Resources section below) for a list of eligible product classifications.
- Report as **9903.02.74**.

What has changed for certain essential oil products?

- Essential oils imported **for religious purposes** and classifiable 3301.29.51 are exempt from reciprocal tariffs.
 - Report as **9903.02.75**.
 - Information or statements indicating the products intended use for religious purposes must be included with entry documents.

What has changed for aerospace products?

- Covered civil aircraft and parts from the EU (covered by the Civil Aircraft Agreement, excluding unmanned aircraft) are exempt from reciprocal and Section 232 tariffs.
 - Refer to Annex I of the implementing Federal Register Notice (see Resources section below) for a list of eligible product classifications.
 - Report as **9903.02.76**.
 - Information or statements indicating the product is for civil aviation use must be included with entry documents.

What has changed for generic pharmaceutical products?

- Covered generic pharmaceutical products, including their ingredients and precursor chemicals, are exempt from reciprocal tariffs.
 - Refer to Annex I of the implementing Federal Register Notice (see Resources section below) for a list of eligible product classifications.
 - Report as **9903.02.77**.
 - Pharmaceutical products patented in the US do not qualify for the use of 9903.02.77.
 - Information or statements indicating that the product is not patented and is for a pharmaceutical must be included with entry documents.

What has changed for goods subject to section 232?

- Products of the EU already subject to Section 232 actions **remain exempt** from reciprocal tariffs.
- Continue to report **9903.01.33** for goods subject to Section 232:
 - Aluminum (Proclamation 9704)
 - Steel (Proclamation 9705)
 - Copper (Proclamation 10962)
 - Automobiles and parts (Proclamation 10908)

Q&A

Q 1: Are the tariff changes retroactive?

A 1: Yes, the agreement applies these changes retroactively to August 1, 2025, for automobile and automobile parts, and retroactively to September 01, 2025, for all other products covered by this action.

Q 2: How can I obtain a refund for eligible products imported during the retroactive period?

A 2: Customers seeking refunds may file a Post Summary Correction (PSC) for unliquidated entries or a protest for entries that have liquidated but are within the protest period.

For FedEx air express shipments, complete and submit a Clearance Charges Dispute form, which is linked below, to dutytaxdisputes@fedex.com.

<https://www.fedex.com/content/dam/fedex/us-united-states/services/FedEx-DTDispute-Form.pdf>

Resources

Implementing Certain Tariff-Related Elements of the US-EU Framework on an Agreement on Reciprocal, Fair, and Balanced Trade

<https://www.govinfo.gov/content/pkg/FR-2025-09-25/pdf/2025-18660.pdf>

CSMS # 66336270 - Guidance – Implementation of Tariff-Related Elements of the United States-European Union Framework Agreement

<https://content.govdelivery.com/bulletins/gd/USDHSCBP-3f4360e>

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