



# Regulatory News Alerts & Updates

## **Regulatory Alert: US and UK Economic Prosperity Deal Announced**

June 26, 2025

On June 16, 2025, the US and United Kingdom (UK) Economic Prosperity Deal (EPD) was announced by the respective countries. Both parties agreed to address certain tariff and non-tariff barriers to trade with specific implementation details to be announced later.

On June 23, 2025, Executive Order (EO) 14309 titled "Implementing the General Terms of the United States of America-United Kingdom Economic Prosperity Deal" was published in the Federal Register. The EO includes specific implementation details from the US for the EPD.

### **Automobiles and Automobile Parts**

- Effective June 30, 2025, a new annual tariff-rate quota (TRQ) will allow imports of up to 100,000 UK-origin automobiles at a 10 percent tariff rate.
  - This tariff rate is composed of a reduced 7.5 percent tariff from Presidential Proclamation 10908 and the 2.5 percent most-favored-nation tariff.
  - Any UK-origin automobile imports above the TRQ amount will be subject to the full 25 percent tariff under Presidential Proclamation 10908 and any other applicable duties, taxes, and fees.
  - This TRQ will be adjusted for calendar year 2025 and reflect the General Terms' operative date of May 8, 2025, with additional details forthcoming.
  - Covered automobiles are in Classified in Heading 8703 and specified in note 33(b) to subchapter III of Chapter 99.
- Effective within seven days of June 23, 2025, UK-origin automobile parts intended for use in UK-origin automobiles will be subject to a reduced total tariff rate of 10 percent.
  - Covered auto parts are those classified in Heading 8703 and specified in note 33(g) to subchapter III of Chapter 99.

### **Civil Aircraft and Civil Aircraft Parts**

- Effective within seven days of June 23, 2025, the EO states that tariffs imposed under three different US trade actions will not be applicable to UK-origin goods that fall under the World Trade Organization Agreement on Trade in Civil Aircraft:
  - Reciprocal tariffs under EO 14257,
  - Aluminum articles and their derivatives under Proclamation 9704; and

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- Steel articles and their derivatives under Proclamation 9705.
- Note: In order for US imports to qualify for treatment as civil aircraft parts, a statement on the shipment documentation must clearly identify the products as parts of civil aircraft.

## **Articles of Aluminum and Steel and Their Derivatives**

- On a future date, a TRQ for UK-origin aluminum articles and aluminum derivatives will be announced.
- On a future date, a TRQ for UK-origin steel articles and steel derivatives will be announced.

## **Q&A**

**Q 1:** Are all products shipped from the UK eligible for tariff benefits under the US-UK EPD?

A 1: No. The agreement is implemented based upon a product's country of origin rather than the country from which the product was shipped. For example, a shipment of automobile parts sent from the UK but made in Germany would not be eligible for preferential treatment under the EPD as the country of origin would be Germany.

**Q 2:** Are all U.K.-origin automobile parts eligible for tariff benefits under the US-UK EPD?

A 2: No. The implementing text of EO 14309 specifically states that the parts must both be U.K.-origin and intended for use in a UK-origin automobile.

**Q 3:** How should I certify my UK-origin parts are for use in UK-origin automobiles?

A 3: A statement identifying that the automobile parts are intended for use in UK-origin automobiles should be provided on the commercial invoice. Without the intended use identified on the shipment documentation, the reduced duty rate would not be applicable.

## **References**

EO 14309 "Implementing the General Terms of the United States of America-United Kingdom Economic Prosperity Deal"

<https://www.federalregister.gov/documents/2025/06/23/2025-11473/implementing-the-general-terms-of-the-united-states-of-america-united-kingdom-economic-prosperity>

General Terms for the United States of America and the United Kingdom of Great Britain and Northern Ireland Economic Prosperity Deal

<https://www.whitehouse.gov/briefings-statements/2025/05/general-terms-for-the-united-states-of-america-and-the-united-kingdom-of-great-britain-and-northern-ireland-economic-prosperity-deal/>

EO 14257 "Regulating Imports with a Reciprocal Tariff to Rectify Trade Practices That Contribute to Large and Persistent Annual United States Goods Trade Deficits"

<https://www.federalregister.gov/documents/2025/04/07/2025-06063/regulating-imports-with-a-reciprocal-tariff-to-rectify-trade-practices-that-contribute-to-large-and>

Proclamation 9704 “Adjusting Imports of Aluminum into the United States”

<https://www.federalregister.gov/documents/2018/03/15/2018-05477/adjusting-imports-of-aluminum-into-the-united-states>

Proclamation 9705 “Adjusting Imports of Steel into the United States”

<https://www.federalregister.gov/documents/2018/03/15/2018-05478/adjusting-imports-of-steel-into-the-united-states>

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