



Regulatory News Alerts & Updates

Regulatory Alert: United States - South Korea trade deal implementation

December 10, 2025

Overview

The United States (US) and South Korea have finalized the [US – Korea Strategic Trade and Investment Deal](#) that changes how South Korean products are tariffed when entering the US. This agreement establishes a **baseline 15% tariff** on nearly all imports from South Korea, while also creating special rules for automobiles and light trucks, automobile parts, civil aircraft, civil aircraft parts, and some wood products. Certain products subject to Section 232 actions remain exempt from International Emergency Economic Powers Act (IEEPA) reciprocal duties.

These changes apply **retroactively to November 1, 2025, for automobile products**, and **November 14, 2025**, for aerospace products, reciprocal tariffs, and wood products.

Note: The new US – Korea Strategic Trade and Investment Deal is separate and distinct from the Korea Free Trade Agreement (KORUS). Importers must still claim “KR” on qualifying entries to ensure the correct duty rate applies. Claiming KR only affects the base tariff; Section 232 and IEEPA reciprocal duties will still apply.

What has changed for automobiles and automobile parts?

Automobiles

- Passenger vehicles and light trucks from South Korea with a column 1 duty rate greater than or equal to 15%, no additional Section 232 duty applies.
 - Report as **9903.94.60**.
- Passenger vehicles and light trucks from South Korea with a column 1 duty rate less than 15%, the combined rate is 15%.
 - Report as **9903.94.61**.

Automobile parts

- Parts of passenger vehicles and light trucks from South Korea specifically listed on the [vehicle parts list](#) with a column 1 duty rate greater than or equal to 15%, no additional Section 232 duty applies.

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- Report as **9903.94.62**.
- Parts of passenger vehicles and light trucks from South Korea specifically listed on the [vehicle parts list](#) with a column 1 duty rate less than 15%, the combined rate is 15%.
 - Report as **9903.94.63**.

Importer-certified automobile parts

- Parts of passenger vehicles and light trucks from South Korea certified by the importer that such parts will be used for automobile production or repair activity in the US must:
 - Not be listed on the [vehicle parts list](#).
 - Not be listed on the [medium heavy-duty vehicle \(MHDV\) parts list](#).
 - Not be classified in Harmonized Tariff Schedule of the United States (HTSUS) Chapters 72, 73, or 76.
 - With a column 1 duty rate greater than or equal to 15%, no additional Section 232 duty applies.
 - Report as **9903.94.64**.
 - With a column 1 duty rate less than 15%, the combined rate is 15%.
 - Report as **9903.94.65**.

Note: Because tariffs 9903.94.64 and 9903.94.65 require an importer certification, entries under these HTSUS will **not** be eligible to use the FedEx Logistics bond for import purposes.

Clients importing goods as importer-certified automobile parts must have their own import bond on file with FedEx Logistics. For customer questions about how to set up a customs bond with FedEx Logistics, please contact your FedEx account executive.

What has changed for aerospace products?

- Civil aircraft and parts from South Korea covered by the Civil Aircraft Agreement, excluding unmanned aircraft, are no longer subject to reciprocal tariffs or Section 232 duties.
 - Report as **9903.02.81**.
 - Information or statements indicating the product is for civil aviation use must be included with entry documents.

What has changed for reciprocal tariffs?

- If the column 1 duty rate is greater than or equal to 15%, no additional reciprocal tariff applies.
 - Report as **9903.02.79**.
- If the column 1 duty rate is less than 15%, the combined rate is raised to 15%.
 - Report as **9903.02.80**.

Note: The original reciprocal provision for South Korea, 9903.02.56, expired retroactively effective November 13, 2025.

What has changed for wood products?

- For kitchen cabinets and upholstered wooden furniture from South Korea classified in the following provisions, report as **9903.76.23**:
 - 9401.61.4011
 - 9401.61.4031
 - 9401.61.6011
 - 9401.61.6031
 - 9403.40.9060
 - 9403.60.8093
 - 9403.91.0080

What has changed for exemptions?

- Products of South Korea already subject to Section 232 actions **remain exempt** from reciprocal tariffs.
- Continue to use the **9903.01.33** exclusion for:
 - Aluminum (Proclamation 9704)
 - Steel (Proclamation 9705)
 - Copper (Proclamation 10962)
 - Automobiles and parts (Proclamation 10908)
 - Timber and lumber (wood) products (Proclamation 10976)
 - Medium- and Heavy-Duty Vehicles (MHDV), Medium- and Heavy-Duty Vehicle Parts, and Buses (Proclamation 10984)

Reporting instructions

- Apply the correct Chapter 99 HTSUS (see above) alongside the Chapter 1–97 HTSUS for the commodity.
- Automated Commercial Environment (ACE) will calculate and apply the 15% duty rate where applicable.

Q&A

Q1: Are the tariff changes retroactive?

A1 – Yes, but the effective date depends on the commodity. Changes apply retroactively to November 1, 2025, for automobile products, and retroactively to November 14, 2025, for aerospace products, reciprocal tariffs, and wood products.

Q2: Which additional HTSUS numbers must be used for automobiles and parts that are products of South Korea?

A2: For automobiles:

- 9903.94.60 or 9903.94.61.

For parts:

- 9903.94.62 or 9903.94.63.

For parts certified by the importer:

- 9903.94.64 or 9903.94.65.

Q3: How are civil aircraft treated under the US – Korea Strategic Trade and Investment Deal?

A3: Eligible civil aircraft and parts with a country of origin of South Korea use 9903.02.81 and are exempt from reciprocal and Section 232 duties. Information or statements indicating the product is for civil aviation use must be included with shipping documentation.

Q4: What about Section 232 products?

A4: Products such as aluminum, steel, copper, automobiles and automobile parts, MHDVs and MHDV parts and wood products under earlier proclamations remain exempt from reciprocal duties. Continue to use **9903.01.33**.

Q5: How can I obtain a refund for eligible products imported during the retroactive period?

A5: Customers seeking refunds may file a Post Summary Correction (PSC) for unliquidated entries or by filing a protest within 180 days after liquidation for entries that have been liquidated.

For FedEx air express shipments, submit a completed Clearance Charges Dispute form (linked below) to dutytaxdisputes@fedex.com, which is available at:

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

Resources

US Customs and Border Protection Cargo System Message Service (CSMS) # 66987366: Guidance – Implementation of Tariff-Related Elements of the United States-Korea Strategic Trade and Investment Deal

<https://content.govdelivery.com/bulletins/gd/USDHSCBP-3fe2566>

Implementing Certain Tariff-Related Elements of the U.S.-Korea Strategic Trade and Investment Deal

<https://www.federalregister.gov/documents/2025/12/04/2025-21940/implementing-certain-tariff-related-elements-of-the-us-korea-strategic-trade-and-investment-deal>

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