

Important Advisory Notice: U.S. Executive Order and Canadian Tariff Implications

Hi dear client,

On March 6, 2025, the U.S. government issued an Executive Order modifying duties initially set by Executive Order 14194.

This recent amendment specifically pertains to goods entered duty-free under the Harmonized Tariff Schedule of the United States (HTSUS) according to the terms of the Canada-United States-Mexico Agreement (CUSMA/USMCA).

Key Details Effective March 7, 2025

CUSMA/USMCA Duty-Free Articles

Goods entering the United States duty-free from Canada, under General Note 11 of the HTSUS (including provisions in subchapter XXIII of chapter 98 and subchapter XXII of chapter 99), will **NOT** be subject to the additional ad valorem duty rate previously established in Executive Order 14194.

Importance of Accurate CUSMA/USMCA Certificates

Ensuring accurate and complete CUSMA/USMCA certifications remains critical. Proper documentation is required for eligibility verification and to avoid unnecessary duty payments.

Continued Tariffs on Steel and Aluminum

Please be aware that the existing U.S. tariffs on steel and aluminum imports—and the subsequent removal of the exemptions granted to Canada and Mexico starting March 12—remain in place and are unaffected by this Executive Order.

[Executive Order: Adjusting imports of steel into the United States](#)

Status of Canadian Retaliatory Tariffs

Canada's initial retaliatory tariffs remain in effect despite recent postponements of some U.S. tariffs. Canada's initial response tariffs, totalling approximately CAD \$30 billion (USD \$21 billion), apply to American goods such as orange juice, peanut butter, coffee, appliances, footwear, cosmetics, motorcycles, and certain pulp and paper products. Canada has stated it does not plan to impose additional retaliatory tariffs related to this specific U.S. Executive Order amendment.

Anticipated Increase in CBP Audits

Given potential tariff exemptions, increased audit activity by U.S. Customs and Border Protection (CBP) is anticipated. Companies must be prepared to produce relevant supporting documentation within 30 days of audit initiation. Failure to adequately document claims may result in retroactive duty assessments and additional penalties.

Recommendations for Clients:

- Verify your CUSMA/USMCA certifications for accuracy and completeness.
- Maintain organized and accessible supporting documentation.
- Proactively review compliance procedures to prepare for potential audits.

We're here to support your compliance needs. Should you have **questions** or require **additional clarification**, click below