

MANAGING THE CUSTOMS VOLATILITY OF TRADE WITH THE US

IAN WORTH
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01

IEEPA REFUNDS

What is the current state of play?

02

CHANGING TARIFF LANDSCAPE

Additional tariff rates

Origin rules

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CUSTOMS VALUATION

First Sale For Export

B2B2C

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SUPPLY CHAIN RISK

Rising costs, Delays and Complexity

IEEPA REFUNDS

CAPE - Consolidated Administration and Processing of Entries

- ▶ CAPE provides the framework for IEEPA refunds
 - ▶ CBP is building the new portal to process refund requests.
 - 1) **Submit:** Importers or brokers upload a CSV list of affected entries as a refund declaration.
 - 2) **Validate and recalculate:** The system validates files, removes the IEEPA Chapter 99 lines, and recalculates duties.
 - 3) **Review and (Re)liquidation:** Entries are scheduled for liquidation or reliquidation.
 - 4) **Refund:** CAPE consolidates entries by importer of record and liquidation date, then issues electronic payments.
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CHANGING TARIFF LANDSCAPE

01 Short notice tariff changes

02 Rules of Origin

03 Customs Valuation

SHORT NOTICE TARIFF CHANGES


- ▶ Section 122 tariffs came into effect on 24th February 2026, at a rate of 10%. Section 122 is intended to address large and serious United States balance-of-payments deficits. These tariffs were formally challenged on the 5th March 2026.
 - ▶ Section 232 tariffs on Aluminium, Steel and Copper.
 - ▶ Section 301 investigations began on the 11th March 2026, Structural Excess Capacity and Production (16 Economies) and 12th March 2026, Forced Labor Import Bans (60 Economies). These investigations could result in significant new tariffs or import restrictions across a wide range of economies and manufacturing sectors.
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RULES OF ORIGIN

- ▶ Changing the country of shipment does not change the origin of the goods.
- ▶ The origin of the goods is the country in which they underwent their last substantial, economically justified processing or working, resulting in the manufacture of a new product or representing an important stage of manufacture.
- ▶ There is no preferential trade agreement in place.



FIRST SALE FOR EXPORT

- ▶ The First Sale principle was first established through a 1988 federal court case and reaffirmed in 1992.
 - ▶ In February 2026, U.S. Senators Sheldon Whitehouse and Bill Cassidy introduced bipartisan legislation aimed at eliminating the First Sale “customs loophole.”
 - ▶ The Last Sale Valuation Act would require transaction values to be determined based on the last sale of the merchandise before export to the United States.
 - ▶ The use of First Sale gives an unfair advantage to the importing and retailing communities at the expense of domestic manufacturers.
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FIRST SALE – HOW IT WORKS

- ▶ Where there are multiple sales of goods, the U.S. importer may seek to base the transaction value on the price of an earlier sale in the chain of transactions. The importer must establish this “first sale” is a
 - (1) bona fide sale that;
 - (2) was negotiated at arm’s-length; and
 - (3) involves goods clearly destined for the United States
 - ▶ To support a First Sale transaction value, CBP requires a “complete paper trail of the imported good showing the structure of the entire transaction.” This includes purchase orders, invoices, and any other related transactional documents for each sale in the multi-tiered transaction.
 - ▶ First Sale valuation use must be declared on the customs declaration.
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B2B2C

- ▶ Strategic “solution” widely offered in response to removal of \$800 threshold.
- ▶ The aim is similar to FSFE, i.e. to minimise the customs value.
- ▶ Inserts an intermediary importing entity to declare a low B2B value.
- ▶ However...



INVOICE UNBUNDLING

- ▶ Deductible elements of cost can be excluded from customs value
 - ▶ Freight costs post FOB
 - ▶ Post-import construction/assembly
 - ▶ Buying commissions
 - ▶ Some royalties
 - ▶ Section 232?
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RELOCATION

- ▶ Zero tariffs on US manufactured goods
- ▶ Not an overnight solution
- ▶ Licensing of manufacturing knowhow could be more effective
- ▶ Other manufacturing locations may be more beneficial



SUPPLY CHAIN RISKS



COMPLEXITY

Increasing complexity and admin burden continues to stretch supply chains to their limits.

RISING COST

The rising cost of oil due to war in the Middle East will eventually impact supply chains.

DELAYS

War in the Middle East has already created delays in supply chains, recovery will take some time.

RISK

Section 301 Forced Labor investigation could result in heightened supply chain scrutiny, additional tariffs or import bans.



| Questions?



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