



Navigating New Tariffs: Disruption and Opportunities

KPMG Trade & Customs

Navigating Additional Tariffs – What to Anticipate

Trade Disruption Overview



President-Elect Trump's second administration will be characterized by increasingly restrictive trade regulations and tariff increases.



President-elect Trump has announced that upon his inauguration punitive tariffs would be imposed on certain countries



Retaliatory tariffs are anticipated from Mexico, Canada and China in response to US tariffs



These potential tariff increases are in addition to normal tariffs and existing punitive tariffs (e.g. 25% Section 301 tariffs on China).

Anticipated Trade Policy Actions

China

- **Tariff:** 10-60% additional tariff on most imports
- **Export controls:** Significant expansion of listed entities/ restricted parties across major industries
- **Investment bans:** Investment bans on Foreign Direct Investment with China

Mexico

- **Tariff:** 25%-100% rate on all MX goods
- **Auto:** Specific action against MX automotive sector

Canada

- **Tariff:** 25% duty on all Canada goods

EU

- **Tariff:** 10% duty on all EU-origin goods
- **Tariff:** 25% duty on steel, 10% on aluminum
- **Section 301:** Investigation into CBAM impairments on US companies

How to Prepare

ANTICIPATE

Leverage your trade data to gain a clear picture of impact and opportunities...

PREPARE

Make proactive strategic adjustments to improve compliance and resilience...

RESPOND

Unlock opportunity through operational efficiencies and duty saving programs...

Areas to Consider

“What If” Planning

- Trade Data Analysis
- Supply Chain Visibility Mapping
- Impact Assessment: Section 321, Tariff and Supply Chain, FTA
- AD/CVD order monitoring
- Strategic tax planning and transfer pricing assessment
- Alternative Supplier Strategy and Sourcing
- Strategic "country of origin" and manufacturing

Trade Transformation

- Evaluating current state model and tariff impact to design and implement future state



Tariff Mitigation

- First Sale for Export
- Foreign Trade Zones
- Valuation and Methods of Appraisalment
- Eliminating non-dutiable charges from value
- Free Trade Agreements

Tariff Recovery

- Duty Drawback
- Tariff Exclusions
- Downward Transfer Pricing adjustments

Country of Origin Determination

- Material traceability
- Substantial Transformation Analysis



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