

U.S. Ends Tariff Exemptions on Low-Dollar Imports on 8/29/25

## What's changing?

- Effective August 29, 2025, the U.S. will end its tariff exemption for low-cost imports from all countries.
- Previously, items under \$800 were usually tariff-free when shipped from abroad. With this change, **even inexpensive international purchases** may now be charged a tariff upon arrival.
- Business Imports of <u>any value</u> will be subject to the tariff rate in effect for the Country of Origin at the time of U.S. customs clearance.

#### Impact:

- In response to newly announced inspection measures, many international postal services have suspended shipments to the U.S. pending clarification on final import and tariff procedures. The <u>list of affected countries</u> remains fluid.
- Specialty Carriers: (subject to change)
  - o FedEx: Will still deliver packages from these countries without fees.
  - o UPS: Will deliver packages but are charging a per package processing fee.
  - o DHL: Has suspended some services, but DHL Express services remain available.
- While Formal documentation was previously required for items over \$800, it is now **required for all imported items**.
- An increased burden on carriers will likely cause delivery delays, carrier fees, and a potential for lost packages.

#### Next Steps:

• Limit international purchases. If you must purchase internationally, identify the carrier the vendor will use to deliver your package.

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- Be sure <u>all import documentation</u> and customs broker instructions are in place prior to shipping. (Reference <u>Procurement's Importing and Exporting Guidelines</u>).
- Plan for delivery delays and potential increases in fees.
- Consider insuring your package if the international vendor does not cover U.S. tariffs under DDP (Delivery Duty Paid) incoterms.

# Questions?

The <u>Procurement team</u> is here to answer any questions you may have.