



DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Implementation of Additional Duties on Products of Canada Pursuant to the President's February 1, 2025 Executive Order Imposing Duties to Address the Flow of Illicit Drugs Across Our Northern Border

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security

ACTION: Notice.

SUMMARY: In order to effectuate the President's February 1, 2025 Executive Order "Imposing Duties to Address the Flow of Illicit Drugs Across Our Northern Border," which imposes specified rates of duty on imports of articles that are products of Canada, the Secretary of Homeland Security has determined that appropriate action is needed to modify the Harmonized Tariff Schedule of the United States (HTSUS) as set out in the annex to this notice.

DATES: The duties set out in the annex to this document are effective with respect to products of Canada that are entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern standard time on February 4, 2025.

FOR FURTHER INFORMATION CONTACT: Brandon Lord, Executive Director, Trade Policy and Programs, Office of Trade, U.S. Customs and Border Protection, (202) 325-6432 or by email at traderemedycbp@dhs.gov. Susan Thomas, Executive Director, Cargo and Conveyance Security, Office of Field Operations, U.S. Customs and Border Protection, (202) 344-3401 or by email at traderemedycbp@dhs.gov.

SUPPLEMENTARY INFORMATION: On January 20, 2025, the President declared a national emergency with respect to the grave threat to the United States posed by the influx of illegal aliens and drugs into the United States in Proclamation 10886 (Declaring a National Emergency at the Southern Border). *See* National Emergencies Act (50 U.S.C. 1601 *et seq.*) (NEA).

On February 1, 2025, the President expanded the scope of the national emergency declared in that proclamation to cover the threat to safety and security of Americans, including the public health crisis of deaths due to the use of fentanyl and other illicit drugs and the failure of Canada to do more to arrest, seize, detain, or otherwise intercept drug trafficking organizations, other drug and human traffickers, criminals at large, and drugs. In addition, the President determined that this failure to act on the part of Canada constitutes an unusual and extraordinary threat, which has its source in substantial part outside the United States, to the national security and foreign policy of the United States.

To address this threat, pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), the NEA, section 604 of the Trade Act of 1974, as amended (19 U.S.C. 2483), and 3 U.S.C. 301, the President imposed ad valorem tariffs on all imports that are products of Canada, excluding those encompassed by 50 U.S.C. 1702(b). Specifically, the February 1, 2025 Executive Order adjusted duties on imported products of Canada, except for imports of energy and energy resources that are products of Canada, by imposing, consistent with law, an additional 25 percent ad valorem rate of duty as described in the annex to this notice. With respect to imports of energy and energy resources that are products of Canada, as described in the annex to this notice, the Executive Order imposed, consistent with law, an additional 10 percent ad valorem rate of duty.

The Executive Order directed the Secretary of Homeland Security to determine and implement the necessary modifications to the Harmonized Tariff Schedule of the United States (HTSUS), consistent with law, in order to effectuate the Executive Order.

In order to implement the rates of duty imposed by the Executive Order, effective on 12:01 a.m. eastern standard time on February 4, 2025, subchapter III of chapter 99 of the HTSUS is modified by the annex to this notice.

Articles that are products of Canada, excluding those encompassed by 50 U.S.C. 1702(b), that are entered for consumption, or withdrawn from warehouse for consumption, on or after

12:01 a.m. eastern standard time on February 4, 2025, will be subject to the additional ad valorem rate of duty provided for in new HTSUS headings 9903.01.10 or 9903.01.13, except that goods entered for consumption, or withdrawn from warehouse for consumption, after 12:01 a.m. eastern standard time on February 4, 2025, that were loaded onto a vessel at the port of loading, or in transit on the final mode of transport prior to entry into the United States, before 12:01 a.m. eastern standard time on February 1, 2025, shall not be subject to such additional duty only if the importer certifies to CBP that the goods so qualify by declaring new HTSUS heading 9903.01.14 as described in the annex to this notice. The exception for goods that were in transit before February 1, 2025 is time limited, to prevent importers from abusing this provision when it is no longer realistic due to the passage of time, as provided in new HTSUS heading 9903.01.14 that is described in the annex to this notice, and will only apply to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern standard time on February 4, 2025, and before 12:01 a.m. eastern standard time on February 7, 2025.

Imported products of Canada that are encompassed by 50 U.S.C. 1702(b) will not be subject to the additional ad valorem duty provided for in new HTSUS headings 9903.01.10 or 9903.01.13, but such qualifying products, other than products for personal use included in accompanied baggage of persons arriving in the United States, must be declared and entered under new HTSUS heading 9903.01.11 or new HTSUS heading 9903.01.12. Specifically, new HTSUS heading 9903.01.11 covers products encompassed by 50 U.S.C. 1702(b)(2) and new HTSUS heading 9903.01.12 covers products encompassed by 50 U.S.C. 1702(b)(3).¹

The additional ad valorem duty provided for in new HTSUS headings 9903.01.10 and 9903.01.13 applies in addition to all other applicable duties, taxes, fees, exactions, and charges.

Further, the February 1, 2025 Executive Order clarifies that duty-free *de minimis* treatment under

¹ 50 U.S.C. 1702(b)(1) covers “postal, telegraphic, telephonic, or other personal communication[s], which do[] not involve a transfer of anything of value,” and hence does not encompass any imported articles of merchandise. 50 U.S.C. 1702(b)(4) covers “transactions ordinarily incident to travel to or from any country, including [1] importation of accompanied baggage for personal use, [2] maintenance within any country including payment of living expenses and acquisition of goods or services for personal use, and [3] arrangement or facilitation of such travel including nonscheduled air, sea, or land voyages,” only the first of which encompasses imported articles of merchandise.

19 U.S.C. 1321 shall not be available for the articles of Canada subject to the additional 25 percent or 10 percent ad valorem rates of duty. Accordingly, articles covered by headings 9903.01.10 and 9903.01.13 shall not be eligible for the administrative exemption from duty and certain taxes at 19 U.S.C. 1321(a)(2)(C)—the so-called “de minimis” exemption.

In order to protect the revenue of the United States and effectively carry out the Executive Order’s instruction to exclude such articles from eligibility for the *de minimis* exemption, including with respect to shipments arriving by international mail from Canada, CBP has determined that, in accordance with 19 CFR 145.12(a)(1), it is necessary to require formal entry for all mail shipments from Canada. Without regard to their value, no mail shipments from Canada will be cleared or released by CBP unless and until formal entry is properly filed.

The additional ad valorem duty provided for in new HTSUS headings 9903.01.10 and 9903.01.13 also applies to products of Canada that are eligible for special tariff treatment under general note 3(c)(i) to the HTSUS, and that are eligible for temporary duty exemptions or reductions under subchapter II to chapter 99. The annex to this notice includes instruction on the application of the additional duties to goods entered under certain provisions of chapters 98 and 99 of the HTSUS, along with the application of the additional duties to goods qualifying for special tariff treatment under the United States-Mexico-Canada Agreement (USMCA).

The additional duties imposed by headings 9903.01.10 and 9903.01.13 shall not apply to goods for which entry is properly claimed under a provision of chapter 98 of the tariff schedule pursuant to applicable regulations of U.S. Customs and Border Protection (“CBP”), and whenever CBP agrees that entry under such a provision is appropriate, except for goods entered under heading 9802.00.80; and subheadings 9802.00.40, 9802.00.50, and 9802.00.60. For subheadings 9802.00.40, 9802.00.50, and 9802.00.60, the additional duties apply to the value of repairs, alterations, or processing performed (in Canada), as described in the applicable subheading. For heading 9802.00.80, the additional duties apply to the value of the article

assembled abroad (in Canada), less the cost or value of such products of the United States, as described.

The annex to this notice also provides that products of Canada include both goods of Canada under the rules set forth in part 102, title 19 of the Code of Federal Regulations, as applicable, as well as goods that are considered to be substantially transformed in Canada.

Articles that are products of Canada, excluding those encompassed by 50 U.S.C. 1702(b), except those that are eligible for admission to a foreign trade zone under “domestic status” as defined in 19 CFR 146.43, and are admitted into a United States foreign trade zone on or after 12:01 am a.m. eastern standard time on February 4, 2025, must be admitted as “privileged foreign status” as defined in 19 CFR 146.41. Such articles will be subject, upon entry for consumption, to the duties imposed by the Executive Order and the rates of duty related to the classification under the applicable HTSUS subheading in effect at the time of admission into the United States foreign trade zone.

No drawback shall be available with respect to the additional duties imposed pursuant to the Executive Order.

Kristi Noem,
Secretary.

ANNEX

**TO MODIFY CHAPTER 99 OF THE HARMONIZED
TARIFF SCHEDULE OF THE UNITED STATES**

Effective with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern standard time on February 4, 2025, subchapter III of chapter 99 of the Harmonized Tariff Schedule of the United States (HTSUS) is modified:

- by inserting the following new heading 9903.01.10 in numerical sequence, with the material in the new heading inserted in the columns of the HTSUS labeled “Heading/Subheading”, “Article Description”, “Rates of Duty 1-General”, “Rates of Duty 1-Special” and “Rates of Duty 2”, respectively:

Heading/ Subheading	Article Description	Rates of Duty		
		1		2
		General	Special	
“9903.01.10	Except for products described in headings 9903.01.11, 9903.01.12, 9903.01.13, or 9903.01.14, articles the product of Canada, as provided for in U.S. note 2(j) to this subchapter.	The duty provided in the applicable subheading + 25%	The duty provided in the applicable subheading + 25%	No change”.

- by inserting the following new heading 9903.01.11 in numerical sequence, with the material in the new heading inserted in the columns of the HTSUS labeled “Heading/Subheading”, “Article Description”, “Rates of Duty 1-General”, “Rates of Duty 1-Special” and “Rates of Duty 2”, respectively:

Heading/ Subheading	Article Description	Rates of Duty		
		1		2
		General	Special	
“9903.01.11	Articles the product of Canada that are donations, by persons subject to the jurisdiction of the United States, of articles, such as food, clothing, and medicine, intended to be used to relieve human suffering, as provided for in U.S. note 2(k) to this subchapter	The duty provided in the applicable subheading	The duty provided in the applicable subheading	No change”.

3. by inserting the following new heading 9903.01.12 in numerical sequence, with the material in the new heading inserted in the columns of the HTSUS labeled “Heading/Subheading”, “Article Description”, “Rates of Duty 1-General”, “Rates of Duty 1-Special” and “Rates of Duty 2”, respectively:

Heading/ Subheading	Article Description	Rates of Duty		
		1		2
		General	Special	
“9903.01.12	Articles the product of Canada that are informational materials, including but not limited to, publications, films, posters, phonograph records, photographs, microfilms, microfiche, tapes, compact disks, CD ROMs, artworks, and news wire feeds	The duty provided in the applicable subheading	The duty provided in the applicable subheading	No change”.

4. by inserting the following new heading 9903.01.13 in numerical sequence, with the material in the new heading inserted in the columns of the HTSUS labeled “Heading/Subheading”, “Article Description”, “Rates of Duty 1-General”, “Rates of Duty 1-Special” and “Rates of Duty 2”, respectively:

Heading/ Subheading	Article Description	Rates of Duty		
		1		2
		General	Special	
“9903.01.13	Except for products described in headings 9903.01.11, 9903.01.12, and 9903.01.14, and other than products for personal use included in accompanied baggage of persons arriving in the United States, articles the product of Canada: Crude oil, natural gas, lease condensates, natural gas liquids, refined petroleum products, uranium, coal, biofuels, geothermal heat, the kinetic movement of flowing water, and critical minerals, as defined by 30 U.S.C. 1606(a)(3)	The duty provided in the applicable subheading + 10 %	The duty provided in the applicable subheading + 10%	No change”.

5. by inserting the following new heading 9903.01.14 in numerical sequence, with the material in the new heading inserted in the columns of the HTSUS labeled “Heading/Subheading”, “Article Description”, “Rates of Duty 1-General”, “Rates of Duty 1-Special” and “Rates of Duty 2”, respectively:

Heading/ Subheading	Article Description	Rates of Duty		
		1		2
		General	Special	
“9903.01.14	Except for products described in headings 9903.01.11, and 9903.01.12, and other than products for personal use included in accompanied baggage of persons arriving in the United States, articles the product of Canada that: (1) were loaded onto a vessel at the port of loading, or in transit on the final mode of transport prior to entry into the United States, before 12:01 a.m. eastern standard time on February 1, 2025; and (2) are entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern standard time on February 4, 2025, and before 12:01 a.m. eastern standard time on February 7, 2025.	The duty provided in the applicable subheading	The duty provided in the applicable subheading	No change”.

6. by inserting the following new U.S. note 2(j) to subchapter III of chapter 99 of the HTSUS in numerical sequence:

“2. (j) For the purposes of heading 9903.01.10, products of Canada, other than products described in headings 9903.01.11, 9903.01.12, 9903.11.13, and 9903.01.14, and other than products for personal use included in accompanied baggage of persons arriving in the United States, shall be subject to an additional 25% *ad valorem* rate of duty. For the purposes of heading 9903.01.13, the covered products of Canada shall be subject to an additional 10 % *ad valorem* rate of duty. Notwithstanding U.S. note 1 to this subchapter, all products of Canada that are subject to the additional *ad valorem* rate of duty imposed by headings 9903.01.10 and 9903.01.13 shall also be subject to the general rates of duty imposed on products of Canada entered under subheadings in chapters 1 to 97 of the tariff schedule.

The additional duties imposed by headings 9903.01.10 and 9903.01.13 that apply to products of Canada include both goods of Canada under the rules set forth in part 102, title 19 of the Code of

Federal Regulations, as applicable, as well as goods that are considered to be substantially transformed in Canada.

Products of Canada that are eligible for special tariff treatment under general note 3(c)(i) to the tariff schedule, or that are eligible for temporary duty exemptions or reductions under subchapter II to chapter 99, shall be subject to the additional *ad valorem* rate of duty imposed by headings 9903.01.10 and 9903.01.13.

The additional duties imposed by headings 9903.01.10 and 9903.01.13 shall not apply to goods for which entry is properly claimed under a provision of chapter 98 of the tariff schedule pursuant to applicable regulations of U.S. Customs and Border Protection (“CBP”), and whenever CBP agrees that entry under such a provision is appropriate, except for goods entered under heading 9802.00.80; and subheadings 9802.00.40, 9802.00.50, and 9802.00.60. For subheadings 9802.00.40, 9802.00.50, and 9802.00.60, the additional duties apply to the value of repairs, alterations, or processing performed (in Canada), as described in the applicable subheading. For heading 9802.00.80, the additional duties apply to the value of the article assembled abroad (in Canada), less the cost or value of such products of the United States, as described.

Products of Canada that are provided for in headings 9903.01.10 or 9903.01.13 shall continue to be subject to antidumping, countervailing, or other duties, taxes, fees, exactions and charges that apply to such products, as well as to the additional *ad valorem* rate of duty imposed by headings 9903.01.10 and 9903.01.13.

Products of Canada that are provided for in headings 9903.01.10 or 9903.01.13 shall not be eligible for the administrative exemption from duty and certain taxes at 19 U.S.C. 1321(a)(2)(C) — the so-called “de minimis” exemption.

(k) Heading 9903.01.11 covers only products of Canada, that are donations, by persons subject to the jurisdiction of the United States, of articles, such as food, clothing, and medicine, intended to be used to relieve human suffering, except to the extent that the President determines that such donations (A) would seriously impair his ability to deal with any national emergency declared under section 1701 of title 19 of the U.S. Code, (B) are in response to coercion against the proposed recipient or donor, or (C) would endanger Armed Forces of the United States which are engaged in hostilities or are in a situation where imminent involvement in hostilities is clearly indicated by the circumstances.”