

Another Temporary Reprieve: No Tariffs on USMCA-Compliant Goods Until April 2, 2025

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The Trump Administration announced on March 6, 2025, a temporary delay on the implementation of tariffs on all goods that qualify for US-Mexico-Canada Agreement (USMCA or CUSMA) preference. As outlined in our [previous alert](#), on March 4, 2025, the Trump administration implemented their promised 25% tariffs on Canadian imports, with a 10% tariff being levied against Canadian energy resources following [a 30-day temporary reprieve](#).

On March 6, 2025, President Trump, by way of an executive order titled, [Amendment To Duties To Address The Flow Of Illicit Drugs Across Our Northern Border](#) (EO), accompanied by a fact sheet entitled [Donald J. Trump Adjusts Tariffs On Canada and Mexico To Minimize Disruption To the Automotive Industry](#), announced:

- The 25% tariffs previously proposed will not apply to goods from Canada that claim or qualify for 'USMCA preference' (i.e., they meet the rules of origin under the USMCA)
- A 10% tariff on Canadian energy goods that do not qualify under the USMCA
- A 10% tariff on potash imported from Canada that does not qualify under the USMCA

While not set out expressly in the EO, President Trump announced this delay is set to last until April 2, 2025, at which time the Trump administration plans to impose the 25% tariffs on these goods as well as move forward with additional "reciprocal" tariffs.

Additionally, the Trump Administration published the changes made to the Tariffs schedule to implement the above tariffs by way of a [Notice](#) in the Federal Register.

For its part, the Canadian government has indicated they will delay the implementation of their second — and larger round — of retaliatory measures to April 2, 2025. However, the existing 25% counter-tariffs imposed by the Canadian government on approximately \$30 billion in US goods, discussed [here](#), remain in effect.

Compliance With the USMCA Rules of Origin is Necessary

The application of the USMCA rules of origin can be complex. For goods manufactured or processed in Canada that incorporate non-USMCA originating inputs or materials, the USMCA provides rules of origin on

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a product-by-product basis which can include necessary “tariff shifts” for non-USMCA inputs and regional value content requirements, and in the case of automotive products, higher wage labour value content requirements.

Canadian exporters are well advised to carefully consider the application of the USMCA’s rules of origin to their goods exported to the United States. US Customs Border Protection has announced that it will increase its enforcement efforts at the border to ensure compliance with USMCA’s rules of origin. Non-compliance with USMCA’s rules of origin can lead to significant consequences, including loss of eligibility for preferential tariff treatment, retroactive penalties and duties and other potential trade sanctions.

The Cassels [International Trade Group](#) will continue to follow these developments in the coming weeks and months.

This publication is a general summary of the law. It does not replace legal advice tailored to your specific circumstances.