Baker McKenzie.

Annual Compliance Conference 2026

Tariffs and other key global customs trends, tips & updates

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Speakers

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Jessica Mutton, Counsel in Baker McKenzie's London office and Chair of the Customs webinar, brought together speakers from across the firm's global network to discuss tariffs and wider customs developments. A clear theme emerged from the discussion: the global trade environment is becoming more complex, more protectionist, and increasingly data-driven. The focus has shifted away from efficiency alone towards a model shaped by industrial policy, enforcement, and strategic supply chain positioning. The speakers' insights, summarised below, explored how these trends are playing out across key jurisdictions.

From Washington, DC, Patrick de Lapérouse (Senior Associate) examined how the US government is using different types of tariffs to regulate inbound trade. These include: national security tariffs on products such as steel, semiconductors and pharmaceuticals; trade- and policy-driven tariffs, including long-standing measures on China and proposed tariffs on Brazil; and broader universal tariffs aimed at addressing US balance of payments concerns. He explained that the unpredictability of these measures has prompted businesses to respond strategically, including by committing to onshore manufacturing, entering into pricing arrangements and claiming refunds following the Supreme Court's ruling that the President's use of emergency tariffs under IEEPA was unlawful.

From Mexico City and Toronto respectively, Adriana Ibarra-Fernandez (Partner) and Julia Webster (Partner) discussed the United States-Mexico-Canada Agreement ("USMCA") and other customs developments in Mexico and Canada. They explained that, in an increasingly fragmented trade environment, the USMCA remains an important framework for tariff mitigation, for avoiding the stricter rules that may apply based on an imported good's country of origin, and for supporting supply chain resilience. They also explored how both countries are combining external trade strategy with protective domestic measures to support economic growth. Adriana highlighted "Plan México 2025", which aims to increase domestic supply and consumption in Mexico, while Julia pointed to measures such as the "Buy Canadian" procurement rules, which are designed to encourage the purchase of locally supplied goods and services. At the same time, Adriana's discussion of Mexico's comprehensive tax audit plan, including the move towards an electronic customs value declaration and the requirement to maintain electronic customs files, illustrated the increasingly data-driven nature of customs compliance.

From Johannesburg, Virusha Subban (Partner) discussed the African Continental Free Trade Area ("AfCFTA"), the world's largest trading bloc by number of participating countries, spanning 54 member states. She explained that, while the AfCFTA creates a continent-wide framework for preferential market access, businesses must still navigate jurisdiction-specific customs, sectoral, and investment rules. Her central message was that success in Africa requires a hub-based approach, using an established market such as South Africa or Egypt as a base from which to build local supply chains and support regional expansion. In doing so, Virusha also emphasised that a local or regional operating model brings unique compliance challenges, meaning that businesses need internal risk and compliance frameworks tailored to the markets in which they operate. This includes, for example, conducting due diligence on local partners, managing foreign exchange constraints, and putting in place wider risk mitigation measures such as political risk insurance and trade finance support.

From Mumbai, Mihir Deshmukh (Partner, Shardul Amarchand Mangaldas & Co Advocates & Solicitors) discussed India's rapidly evolving trade and customs landscape. He explained that India is expanding its network of free trade agreements at pace, having concluded eight such agreements across 37 countries in six years, and highlighted the India-EU Free Trade Agreement in particular as a major development for businesses involved in textiles, pharmaceuticals, automobiles, industrial manufacturing, IT services, and many other sectors. At the same time, his discussion showed that access to the Indian market is increasingly shaped by strategic trade policy, with businesses needing to consider not only tariff opportunities, but also how best to structure their operations in light of trade remedies, customs valuation rules, advance rulings, and options such as special economic zones.

From Amsterdam and London respectively, Jaap Huenges Wajer (Senior Associate) and Alexandra Lambert (Associate) discussed disruption in e-commerce resulting from the removal of low-value consignment relief ("LVCR"), which has provided tax exemptions for the import of goods below a certain value threshold. The removal of LVCR has been particularly relevant in relation to "distance sales", in which goods are purchased by consumers before importation and are subsequently dispatched pursuant to the customer's purchase order. Jaap noted that the removal of LVCR in the EU on 1 July 2026 will mean that consignments at or below EUR 150 will be subject to a temporary EUR 3 duty, applied per item, before normal duty rules or Data Hub processes are introduced from 1 July 2028. Alexandra noted that the UK is consulting on the removal of LVCR for goods valued at GBP 135 or less with an aim for this to be removed by March 2029, alongside related measures including a possible UK-based fiscal representative to assume liability for overseas sellers, a simplified tariff "bucket system" for low-value goods, and a separate handling fee.

In light of the developments discussed across jurisdictions, the overarching takeaway from the webinar is that businesses need to stay alert to the evolving tariffs and customs landscape and build a strategy that both leverages opportunities and addresses the associated compliance and commercial challenges.

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