

The Baker McKenzie logo is displayed in white, bold, sans-serif font. It consists of the word "Baker" on the top line and "McKenzie." on the bottom line. The background of the slide features a dynamic, abstract design of flowing, translucent blue and purple waves that create a sense of movement and depth.

**Baker
McKenzie.**

Tariffs and Other Key Global Customs Trends, Tips & Updates

Thursday, 18 June



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Introduction and Overview



Agenda

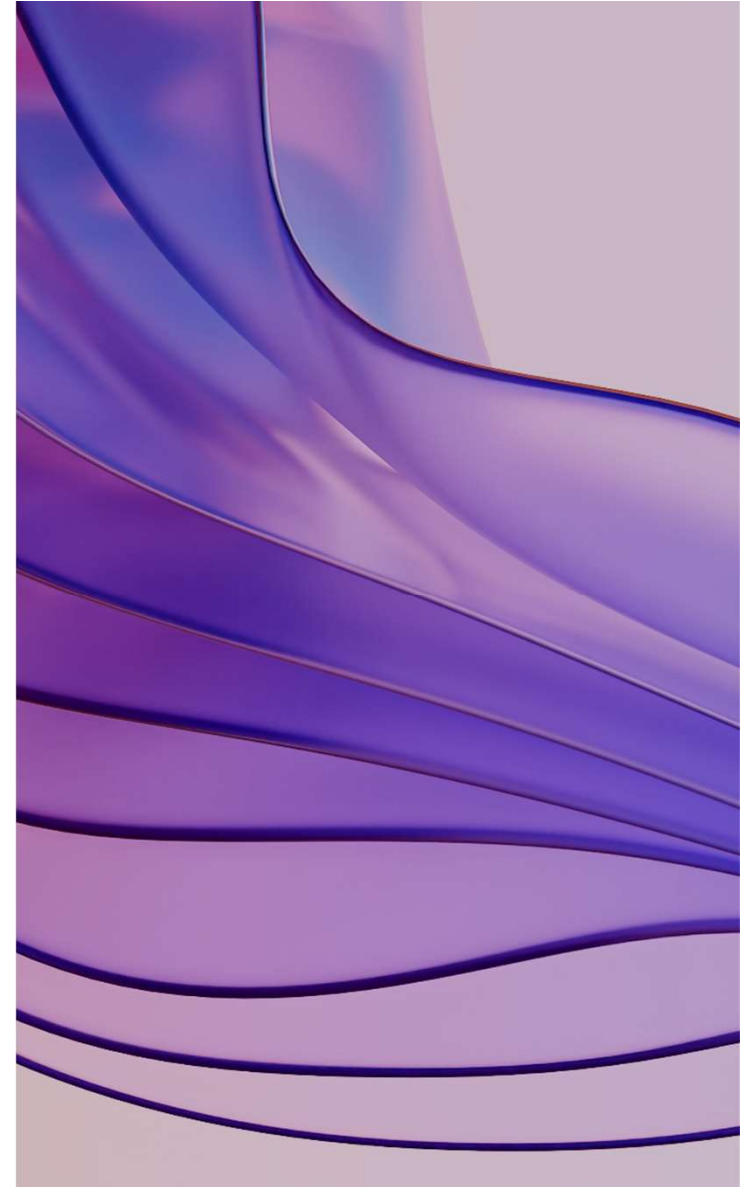
- 01** US Tariffs, Patrick de Laperouse

- 02** North America: USMCA Review and Other Developments, Julia Webster and Adriana Ibarra-Fernandez

- 03** Winning with AfCFTA: Practical Strategies for the African Market, Virusha Subban

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- 05** EU and UK: E-commerce Disruption, Jaap Huenges Wajer and Alexandra Lambert





01 US Tariffs

Patrick de Laperouse

Tariffs in Effect

Tariff	Authority	Rates
All Countries - Steel, aluminum, and certain derivatives	Section 232	10%-50% as of April 6, 2026. Tariffs no longer applied to steel/aluminum content effective April 6, 2026. Lower rates for steel/aluminum products and/or derivatives of certain countries based on framework agreements. US-origin steel/aluminum products and derivatives subject to lower tariff amounts. Smaller scope of derivative products effective April 2026
All Countries: Passenger Vehicles / Light Trucks, Parts	Section 232	25% (USMCA Exception until CBP and Commerce establish a process for applying the value of tariff to only non-US content) 100,000 vehicles from the UK at 10%
All Countries – Copper and certain derivatives	Section 232	10%-50% as of April 6, 2026.
All Countries – Lumber, timber, and derivative products	Section 232	Softwood timber and lumber 10% Upholstered wooden furniture (UK origin: 10%, EU and Japan origin: 0% for all products with a Column 1 Duty Rate ≥ 15%; 15% minus Column 1 Duty Rate for all products with a Column 1 Duty Rate < 15%; All other countries: 25% ((Oct. 14–Dec. 31, 2025), 30% (starting Jan. 1, 2026) Kitchen cabinets and vanities (UK origin: 10%, EU and Japan origin: 0% for all products with a Column 1 Duty Rate ≥ 15%; 15% minus Column 1 Duty Rate for all products with a Column 1 Duty Rate < 15%; All other countries: 25% ((Oct. 14–Dec. 31, 2025), 50% (starting Jan. 1, 2026)
All Countries – Truck and Truck Parts	Section 232	Medium and Heavy Duty Vehicles: 25% (Potential USMCA exceptions for US content on an importer by importer basis) Buses: 10% Medium and Heavy Duty Vehicle Parts: 25% (temporary USMCA exception until CBP and Commerce establish a process for applying the value of tariff to only non-US content)
All Countries – Processed Critical Minerals and Their Derivative Products	Section 232	No Section 232 tariffs currently imposed, despite finding that imports of processed critical minerals and derivative products threaten US national security. Initiated negotiations to address US reliance on foreign sources of processed critical minerals (building off earlier negotiations in 2025)

Tariffs in Effect

Tariff	Authority	Rates
All Countries – Semiconductors, Semiconductor Manufacturing Equipment, and Their Derivative Products	Section 232	<p>25% Section 232 tariff on a “narrow” set of imports of semiconductors and products containing those semiconductors that are not intended for use in the United States:</p> <ul style="list-style-type: none"> ■ (1) a total processing performance (TPP) greater than 14,000 and less than 17,500, and a total DRAM bandwidth greater than 4,500 GB/s and less than 5,000 GB/s; or ■ (2) a TPP greater than 20,800 and less than 21,100, and total DRAM bandwidth greater than 5,800 GB/s and less than 6,200 GB/s. <p>United States Trade Representative (USTR) to “jointly pursue or continue pursuing negotiations” with relevant foreign jurisdictions “</p>
All Countries – Pharmaceuticals, pharmaceutical ingredients, and derivative products	Section 232	<p>Tariffs of 0% to 100% on patented pharmaceuticals and certain ingredients of patented pharmaceuticals (with certain exclusions for biosimilars, orphan drugs, etc.)</p> <p>Generic pharmaceuticals and ingredients to imported to produce generic pharmaceuticals excluded</p> <p>Tariffs go into effect for certain large pharmaceutical companies July 29, 2026; tariffs to go into effect for all other companies September 29, 2026</p> <p>Temporary exclusions or reduced tariffs for certain companies based on on-shoring and/or pricing commitments</p>
Fees on Chinese built ships docking at US ports / Ship-to-Shore Crane Tariffs	Section 301	<p>First 180 days fees \$0; \$46/net ton on October 14; \$30/net ton increase each year up to \$140/net ton by April 17, 2028 (Port Fees Postponed to November 2026)</p> <p>100% tariffs on ship-to-shore cranes from China; up 150% tariff on certain cargo handling equipment</p>
China Tariffs (since Trump 1.0)	Section 301	7.5%-100%
Temporary Balance of Payment Tariffs	Section 122	10% on products of all countries, with certain exclusions for specific products, products subject to Section 232 tariffs, and USMCA-originating articles.



Pending Tariffs

Tariff	Authority	Rates
Brazil	Section 301	Proposed tariffs of 25% on products of Brazil. Exemptions for certain goods, including informational materials, donations, accompanied baggage, all articles and parts of articles subject to section 232 tariffs, and certain products identified in the annex to the Notice. Implementation Date To Be Determined (expected by late July / early August)
Forced Labor (60 countries)	Section 301	Proposed tariffs of 10% or 12.5% for products of 60 countries. Not applicable to certain specifically excluded products, USMCA-originating articles, CAFTA-DR originating textile and apparel products, and products subject to Section 232 tariffs. Implementation Date To Be Determined (expected by late July / early August)
Structural Excess Capacity and Production in Manufacturing Sectors	Section 301	Investigation ongoing.
China's Implementation the 2020 Phase One Agreement	Section 301	Investigation ongoing. Only applies to China
Civil Aircraft and Civil Aircraft Parts	Section 232	Investigation ongoing.
Polysilicon and its derivatives	Section 232	Investigation ongoing.
Unmanned Aircraft Systems	Section 232	Investigation ongoing
Wind turbines, parts and components	Section 232	Investigation ongoing.
Robotics and industrial machinery	Section 232	Investigation ongoing.
Personal Protective Equipment and Medical Supplies	Section 232	Investigation ongoing.



Tariff Stacking

Tariff actions have described certain stacking rules that dictate when tariffs apply to specific products based on applicability/non-applicability of certain additional tariffs

The following duties and tariffs always stack on top of any other applicable tariffs:

- General duties
- AD/CVD (if applicable)
- China Section 301 (if applicable)

The Section 232 and 301 tariffs are subject to the following sequential stacking rules:

- Section 232 Auto/Auto Parts / Truck, Bus / Truck Parts Tariffs
 - USMCA-originating parts are currently excluded from these tariffs
- Section 232 Aluminum/Steel/Copper Tariffs
- Section 232 Lumber Tariffs
- Section 122 and proposed Forced Labor Section 301 (if applicable)



US Supreme Court Rules IEEPA Tariffs Unlawful

6-3 opinion that IEEPA cannot be used to impose tariffs

- The Supreme Court ruled on the following consolidated cases ([V.O.S. Selections, Inc. v. Trump](#); [State of Oregon v. Trump](#); and [Learning Resources, Inc. v. Trump](#)) that the IEEPA tariffs are unlawful, holding that tariffs are a form of taxation and Congress did not authorize tariffs under the IEEPA.
- Majority opinion (Chief Justice Roberts):
 - IEEPA's authority to "regulate... importation" during national emergencies cannot be interpreted to permit imposing tariffs.
 - IEEPA authorizes regulation of economic transactions—such as sanctions or export controls—but not tariffs or customs duties.
- Application of the Major Questions Doctrine:
 - The tariffs affected trillions of dollars in global trade, making the issue one of significant economic and political consequence.
 - Because of this magnitude, Congress would have needed to explicitly grant tariff authority if it intended the President to have it—yet the statute contains no such explicit delegation.



Tariff Actions Invalidated by Supreme Court

Tariff	Authority	Most Recent Rates
Mexico/Canada	IEEPA	Mexico: 25%/10% (potash)/ USMCA goods were excluded Canada: 35%/10% (Energy and Potash) / USMCA goods were excluded
China – Fentanyl	IEEPA	10%
Reciprocal Tariffs	IEEPA	10% (baseline); some country-specific rates up to 41% for some trade partners; China reciprocal agreement held at 10% until 10 Nov 2026 under 4 Nov 2025 EO.
Brazil (“Free Speech”)	IEEPA	40% on all nonexempted goods.
Russian Oil (India)	IEEPA	25% on all nonexempted goods of India.
Secondary Tariffs on countries that import Venezuelan Oil	IEEPA	No country ever designated.
Secondary Tariffs on countries that sell or provide oil to Cuba	IEEPA	No country ever designated.
Secondary Tariffs on countries that directly or indirectly purchase, import, or otherwise acquire goods or services from Iran	IEEPA	No country ever designated.



Supreme Court Rules IEEPA Tariffs Unlawful

What's Next?

- President Trump revoked all IEEPA tariff orders immediately following the ruling and CBP has issued guidance stating that IEEPA tariffs will no longer be collected as of 12:00 am eastern time on February 24, 2026.
- Also immediately following the ruling, President Trump announced new 10% tariffs on all imports from all countries under Section 122
- Other trade authorities (e.g., Sections 232 and 301) remain fully in effect and are unaffected by the ruling.
- The decision provides no guidance on a refund process, leaving recovery of paid tariffs unresolved.



IEEPA Tariff Refunds

Thousands of importers are taking action to preserve rights to IEEPA tariff refunds, while CBP is in the process of issuing refunds

Administrative Refund Process

- Current refund process for IEEPA tariffs paid on certain liquidated and unliquidated entries.
- About \$40 billion refunded to date; more than \$95 billion in refunds being processed.
- Phase II for certain entries flagged for reconciliation expected to be launched by June 29

CIT Litigation

- About 4,000 cases filed to date.
- Universal injunction ordering refunds of IEEPA tariffs paid by all importers under appeal; may result in importers unable to claim refunds through administrative process to file individual cases to obtain refunds for entries not eligible for refund process

Protests

- May be necessary to preserve right to refunds for entries not eligible for administrative refund process to stall final liquidation.

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Key Trade Agreement Updates



02 North America: USMCA Review and Other Developments

Julia Webster and Adriana Ibarra-Fernandez



Mexico: USMCA Review and Other Developments

Adriana Ibarra-Fernandez

Focus on Compliance

Comprehensive Tax Audit Plan

Evidence of export of temporary imports
VAT Certification Cancellations

Customs Valuation (Undervaluation)

Non-Tariff Regulations and Restrictions



Rules of Origin

Tariff Classification



Significant Regulatory Changes

- **Electronic Declaration of Value** mandatory as of August 1, 2026 (postponed several times).
- **Customs electronic file integration** (materiality of operations).
- **Precautionary seizure**: when holding goods temporarily imported at unregistered addresses.
- **Restrictions on applying for VAT and Excise Tax Certification** (initial and renewals) if company has been subject to administrative penalties or criminal offenses.
- **Goods originating from an FTA that are in transit or being transshipped through a non-party country** must be accompanied by documentation certifying that they have been subject to customs surveillance.
- **The list of violations has been expanded**, and fines now range from 250% to 300% of the market value for lack of compliance with non-tariff regs and NOMs.
- **New customs control obligations**: A distinction must be made between domestic and foreign goods in the inventory control system.
- **Maquila virtual transfers**: mandatory to provide and receive production processes; sender must ensure that the goods are consistent with recipient's production process.

Global Scenario



Tariffs / USMCA 2.0

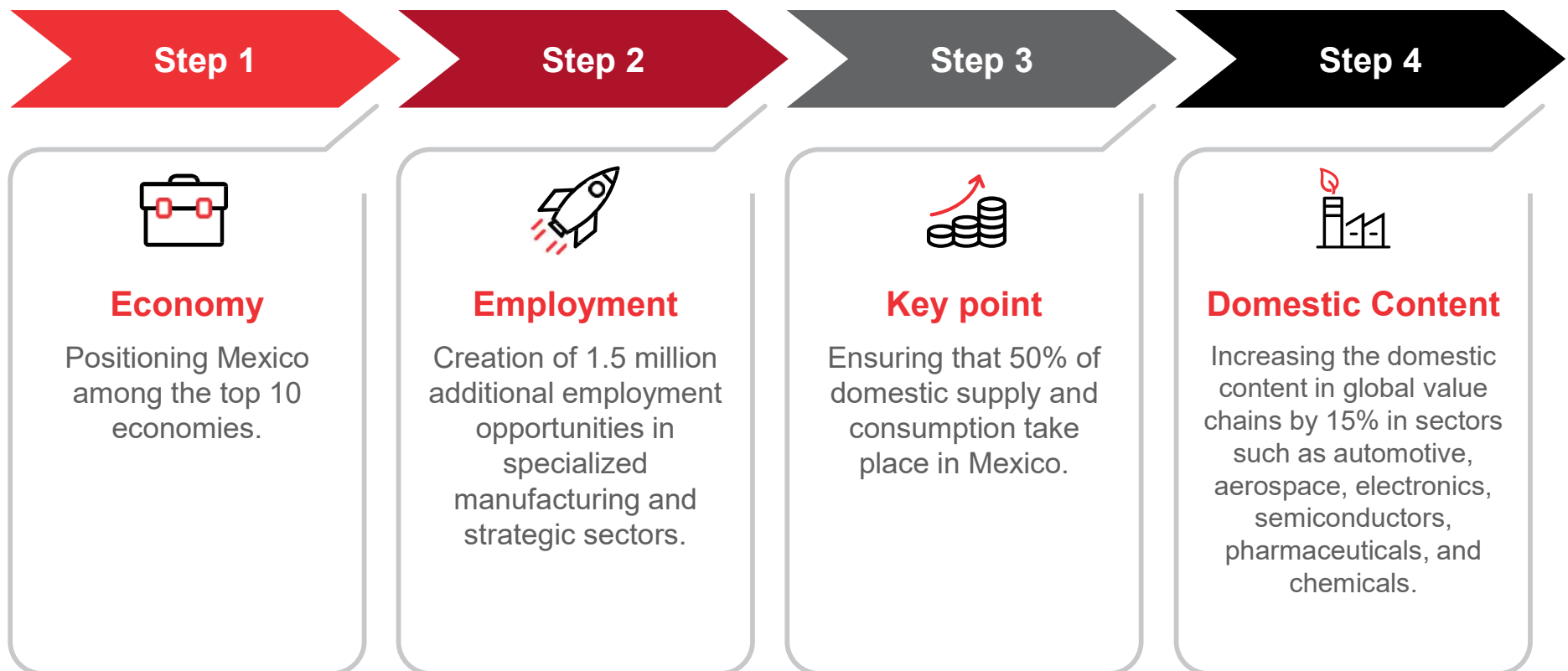


**Global Conflicts
(China, Russia, Iran)**



**Disruption of
Supply Chains**

Plan México –2025





Instruments to Mitigate Trade Barriers

Trade Incentive Programs

- IMMEX, PROSEC, etc.



Free Trade Agreements

- Preferential Tariffs



Trade Certifications

- VAT Tax Certifications, Authorized Economic Operator (OEA), etc.

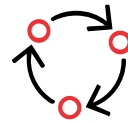


Free Trade Agreements - Mexico



NAFTA – USMCA 2.0

The North American Free Trade Agreement, in force since 1994, was replaced on July 1, 2020, by the United States-Mexico-Canada Agreement.



TLCUEM

Free Trade Agreement between Mexico and the European Union, in force since July 2000, with a modernization process now complete (TLCUEM 2.0)



CPTPP

Comprehensive and Progressive Agreement for Trans-Pacific Partnership–CPTPP, signed on March 8th, 2018; in force for Mexico since December 30, 2018.



USMCA Review: Mexico's Position

Preservation of the USMCA and maintaining tariff advantages

Prioritizing Mexico's strategic competitiveness and preserving integrated North American supply chains.

Focus on tariff mitigation and avoiding stricter rules of origin

Addressing unilateral tariff measures and key sectors such as automotive and agriculture.

Progressing through ongoing bilateral negotiation rounds

Following initial discussions in May to discuss key sectors; starting on June 16, and the third round scheduled during the week of July 20, focused on advancing pending issues ahead of the joint review.



Canada: USMCA Review and Other Developments

Julia Webster



USMCA Review: Canada's Position

Maintain USMCA, negotiate firmly, resist unilateral US demands, tariff relief

- **Preservation of the USMCA and maintaining tariff advantages**
Prioritizing Canada's strategic competitiveness and preserving integrated North American supply chains. However, willing to negotiate – not accept “demands”.
- **Focus on tariff mitigation and avoiding stricter rules of origin**
Addressing unilateral tariff measures and key sectors such as forestry products, automotive, and steel and aluminum.
- **Open to bilateral agreements**
Canada expects bilateral agreements with the US (similar to s. 232 side letters from 2019 negotiating rounds of USMCA).



“Fortress North America”
vs. trade diversification



Canada-US Trade “irritants”

- Dairy supply management and administration of tariff-rate quotas
- Provincial liquor-board restrictions on US origin alcohol sales
- Federal/provincial “Buy Canadian” procurement rules
- Customs and border-processing issues (e.g., CARM)
- Chinese investment exposure
- Forced labour enforcement
- Online Streaming Act, Online News Act
- Canada’s zero plastic waste agenda



Canadian Customs: Birds-Eye View

1. New forced labour legislation tabled before Parliament. Move from discretion-based to list-based import prohibition.
2. Pending amendments to the **Valuation for Duty Regulations** introducing last sale approach to valuation under the Transaction Value Method.
3. July 2026: Updates to CBSA trade compliance verification priorities.
4. Ongoing FTA negotiations: India, ASEAN, Mercosur



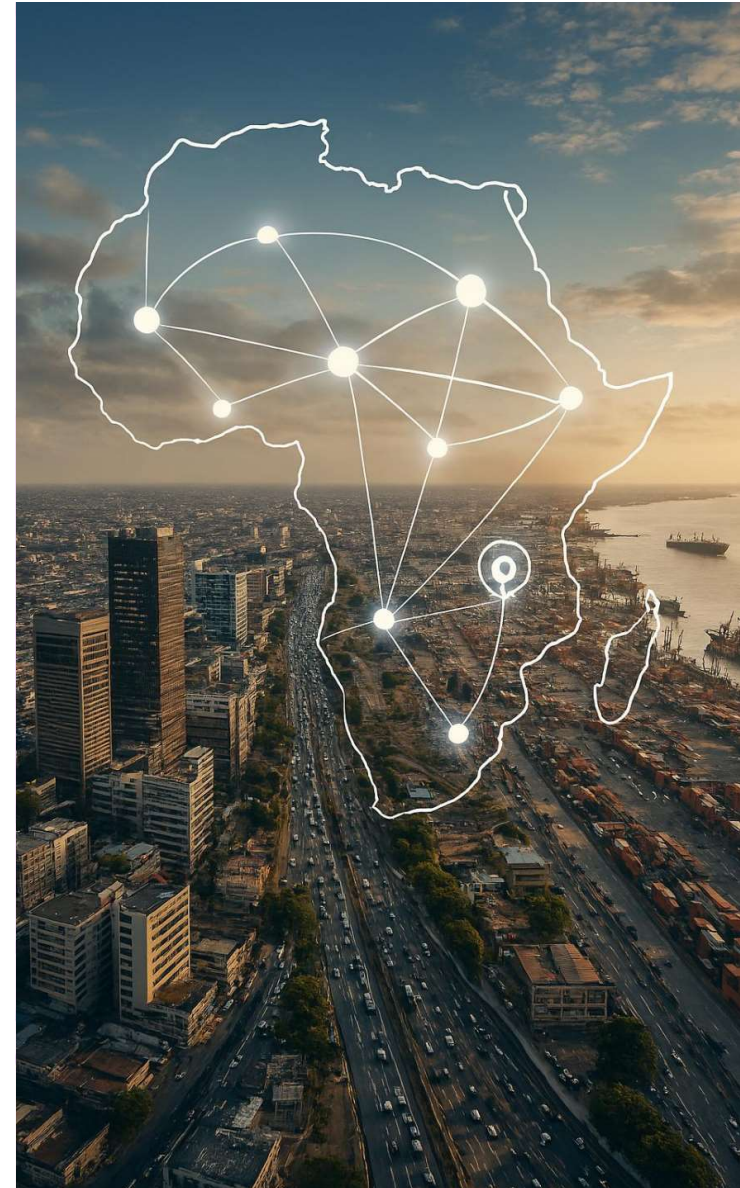
03 Winning with AfCFTA: Practical Strategies for the African Market

Virusha Subban

The AfCFTA Opportunity — Why Now Matters

AfCFTA represents a structural shift in African trade, making now the decisive moment for businesses and policymakers to act.

- World's largest free trade area by participating countries — AfCFTA opens access to a continent-wide market across 54 member states.
- Growth drivers converging simultaneously: urbanisation, rising middle-class consumption, AfCFTA trade integration, and digitalisation are reshaping the opportunity landscape.
- First-mover advantage is real: businesses that engage early with AfCFTA frameworks secure first-mover regulatory and commercial advantages.



Understanding AfCFTA Regulations & Compliance

Compliance is the foundation — map the regulatory landscape across member states before entering any market.

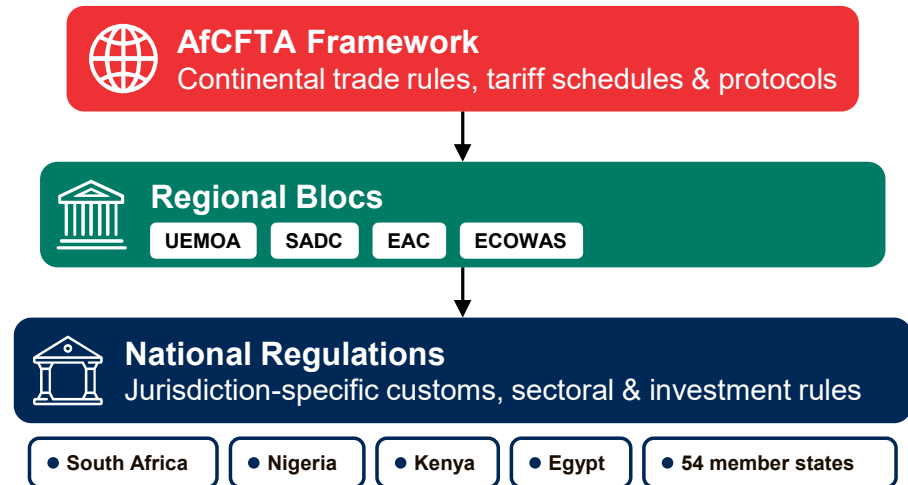
- **Key compliance layers:** tariff schedules under the AfCFTA Protocol on Trade in Goods, rules of origin requirements, and sector-specific regulations (e.g., UEMOA financial regulations for West Africa)
- **Rules of origin are critical:** goods must meet local content thresholds for preferential tariff treatment — non-compliance exposes businesses to reclassification risk
- **Regulatory fragmentation persists:** each member state retains distinct customs valuation frameworks — South Africa's approach differs markedly from East and Central African regimes



Practical Step

Conduct a multi-jurisdictional compliance audit before market entry — identify both AfCFTA-harmonised rules and residual national requirements.

Regulatory Compliance Architecture



Each layer requires independent compliance verification

Market Entry Strategies for African Markets

A single Africa strategy does not exist — successful entry requires hub-based approaches tailored to sub-regional dynamics.



South Africa — Southern Africa Hub

Continental supply & distribution gateway for Namibia, Botswana, Mozambique, and Eswatini.

Southern Africa



Egypt — North & East African Hub

Primary anchor for North African markets and key East African export routes.

North & East Africa



Nigeria — Priority Market (Managed Risk)

Requires supply chain readiness and FX mitigation; many multinationals use franchise or distributor-only models.

West Africa



Direct Mfg.

Capital-intensive;
best for hub markets



Franchise

Asset-light; rapid
expansion



Distributor

Lower risk;
secondary markets

Hub-Market Model

- Anchor in a gateway market, then expand regionally — South Africa and Egypt serve as continental entry points for their respective sub-regions.

Entry Mode Selection

- Direct manufacturing: capital-intensive, optimal for hub markets with established infrastructure and strong demand.
- Franchise partnerships: asset-light model enabling rapid sub-regional expansion with lower upfront commitment.
- Distributor networks: lower risk approach suited for secondary markets and jurisdictions with higher regulatory uncertainty.



Policy Dimension

Policymakers should prioritise investment-grade regulatory environments and one-stop border post development to attract market entry investment.

Supply Chain Optimisation Across Member States

The businesses winning in Africa are those building localised, resilient supply chains — not those relying on imports.

- AfCFTA integration enables hub-market manufacturing to serve multiple neighbouring countries under preferential tariff access.
- A MNC in the CG&R sector (South Africa) exports to Namibia, Botswana, Mozambique, and Eswatini — a model of hub-based AfCFTA supply chain design. [\[2\]](#)
- Local sourcing of raw materials (sorbitol, spices, palm oil, tea) reduces FX risk and import dependency.
- AI and digital ecosystems are enabling faster, more agile supply chains across African operations.

Supply Chain Blueprint



Step 1 Source Locally

Build partnerships with African raw material suppliers to cut FX exposure



Step 2 Manufacture at Hub

Anchor production in a gateway market with scale and infrastructure



Step 3 Export Under AfCFTA Preferences

Leverage preferential tariff access by meeting rules-of-origin thresholds



Step 4 Distribute Regionally

Reach neighbouring markets via hub-and-spoke distribution networks

Leveraging Trade Agreements for Competitive Advantage

AfCFTA does not operate in isolation — businesses that layer multiple trade agreement benefits achieve the strongest competitive positions.



No-Agreement Exposure

Highest Risk

- Full MFN tariffs apply on all cross-border goods
- No preferential access to 54 member state markets
- Exposed to EU-India FTA & USMCA renegotiation impacts without defensive positioning
- No access to AfCFTA trade finance instruments from Afreximbank, Citi, or MUFG



Stacked Agreement Strategy

Recommended

- ✓ Layer AfCFTA with SADC, EAC, ECOWAS, UEMOA where agreements overlap — stacking reduces effective tariff burdens
- ✓ Register as AfCFTA-compliant exporter; align production to rules-of-origin thresholds
- ✓ Engage Citi, MUFG, and Afreximbank risk-sharing & blended capital facilities for cross-border transactions
- ✓ Monitor EU-India FTA (concluded Jan 2026) & USMCA dynamics to recalibrate export competitiveness
- ✓ China's Early Harvest Agreement (EHA) non-reciprocal zero-tariff treatment for goods exported from the Southern Africa Customs Union (SACU)



Single-Agreement Strategy

Partial Advantage

- AfCFTA preferential tariffs accessed in isolation only
- Regional bloc overlap benefits (SADC/EAC/ECOWAS) not captured — leaves cost savings on the table
- Trade finance partnerships typically not engaged — liquidity constraints persist for cross-border expansion
- Better than no agreement — but leaves significant competitive advantage unrealised



Strategic play: Register as AfCFTA-compliant exporter, align to rules-of-origin thresholds, and engage trade finance partners early to unlock liquidity for cross-border expansion.

Case Studies of Successful AfCFTA Implementations

Real-world examples confirm that AfCFTA-aligned strategies deliver measurable commercial results when executed with discipline.



CG&R sector MNC — Nigeria

Local-for-Local Manufacturing

\$20M Investment · August 2025

- Crisps manufacturing facility in Lagos targeting 90%+ local ingredients
- AfCFTA-aligned exports to neighbouring markets



CG&R sector MNC — South Africa

Continental Hub Strategy

R900M · Kempton Park since 2018

- Diapers exported to 4 Southern African countries
- Hub-based AfCFTA supply chain integration



MNC biotech / medical tech — Kenya

East African Regional Distribution

Health & Consumer Goods Focus

- Kenya subsidiary supporting regional distribution and trade integration
- Reaching East African markets under AfCFTA



MNC bank — Trade Finance Facility

SME Trade Finance Enablement

\$100M Risk-Sharing Facility

- Partnership with BII (British International Investment)
- Supports SMEs across Benin, Cameroon, Tanzania, Uganda, Côte d'Ivoire, Rwanda & Zambia



Common thread: All cases combine local manufacturing or sourcing, AfCFTA tariff alignment, and digital or financial partnerships.

Risk Management and Best Practices

AfCFTA creates opportunity, but unmanaged risks — regulatory, FX, political, and operational — can erode returns rapidly.

High Risk

Regulatory Risk

Illicit trade, policy influence risks, and anticompetitive practices in East and Central Africa create governance and compliance exposure for multinationals. Due diligence on local partners is non-negotiable.

Medium Risk

Supply Chain Risk

Low GDP markets and infrastructure deficits limit expansion beyond primary hubs. Risk appetite must be calibrated to infrastructure readiness, not only tariff access.

High Risk

FX & Macroeconomic Risk

Dollar shortages and high operating costs have forced major companies to exit on-ground manufacturing in Nigeria and Kenya, shifting to import-only or distributor models.

Medium Risk

Governance Risk

Blended finance, risk-sharing facilities (IFC assuming up to 75% risk), and local legal counsel for jurisdiction-specific compliance are key structural mitigants.

Risk Mitigation Tools



Blended finance: combining DFI concessional capital with commercial funding to reduce exposure



Risk-sharing facilities — IFC assuming up to 75% risk for high-risk market trade finance



Local legal counsel for jurisdiction-specific compliance across member states



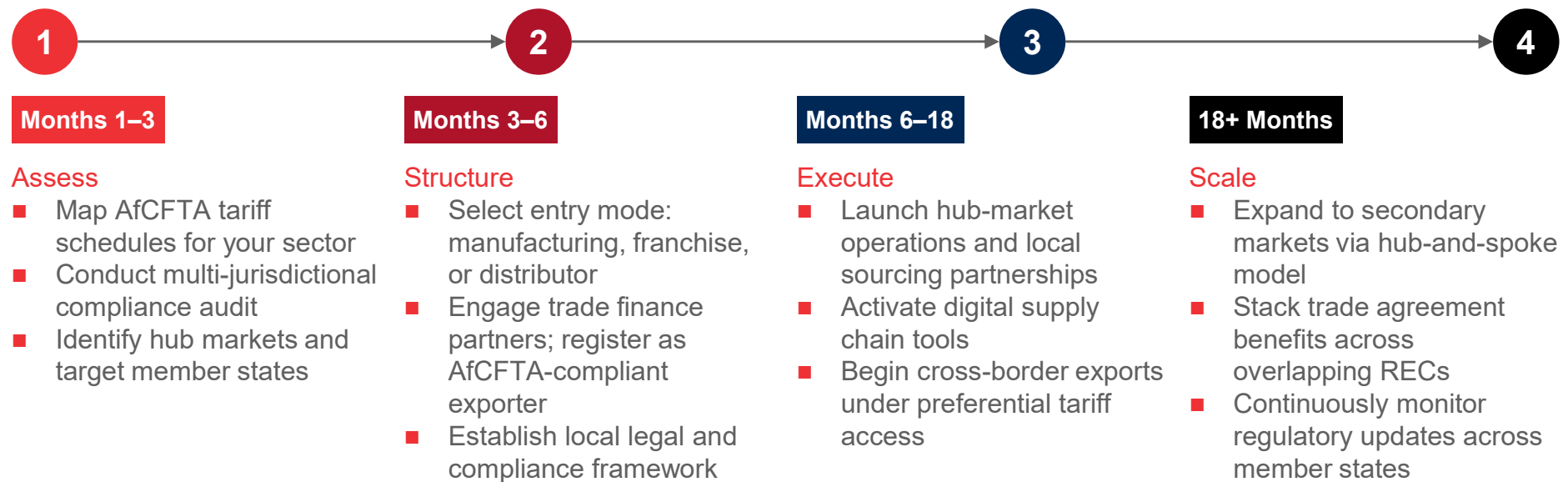
FX hedging and political risk insurance before committing capital to high-exposure markets

Best Practice

Establish a risk governance framework covering customs compliance, FX hedging, political risk insurance, and local partnership due diligence before committing capital.

Practical Roadmap — From Strategy to Execution

Translating AfCFTA strategy into execution requires a phased, disciplined approach with clear milestones at each stage.



For policymakers: align national investment promotion, one-stop border posts, and trade facilitation measures to this business lifecycle to accelerate private sector engagement.



Key Takeaways — Winning with AfCFTA

AfCFTA rewards the prepared — businesses and policymakers that act decisively now will define the continent's next commercial era.

- AfCFTA is an **active framework today** — creating preferential access, investment incentives, and supply chain opportunities right now.
- The **winning formula**: hub-market anchoring + rules-of-origin compliance + local sourcing + digital supply chain + layered trade agreement strategy.
- **Risk management is non-negotiable** — FX volatility, regulatory fragmentation, and infrastructure gaps require structured mitigation before capital deployment.
- Case studies prove it: from a **\$20M Lagos factory** to a **R900M South African hub**, AfCFTA-aligned investments are delivering measurable results.

→ **Your next step: identify your highest-priority AfCFTA market, map compliance requirements, and engage legal and trade finance partners within 90 days.**



04 India Update

Mihir Deshmukh

India's Customs & Trade Framework

Key Authorities



CBIC

Central Board of Indirect Taxes & Customs

DGFT

Directorate General of Foreign Trade

DGTR

Directorate General of Trade Remedies

Key Statutes



Customs Act, 1962

Customs Tariff Act, 1975

Foreign Trade (D&R) Act, 1992

Foreign Trade Policy 2023



- Shift from incentive-based to facilitation-based approach
- No pre-defined expiry — dynamic, responsive framework
- Focus on ease of doing business, digital integration, and trade facilitation



US-India Tariff Developments

Timeline: April 2025 – February 2026





India's Trade Expansion (2021–2026)

8 Trade Agreements concluded in 6 years

Concluded

- Mauritius CECPA (2021)
- UAE CEPA (2022)
- Australia ECTA (2022)
- EFTA TEPA (2025)
- UK CETA (2025)
- Oman CEPA (2025)
- New Zealand FTA (2026)
- India-EU FTA (2026)

Active Negotiations

- US BTA
- Canada CEPA
- GCC
- Peru
- Israel

Under Review

- ASEAN (Rules of Origin tightening)
- Japan CEPA
- South Korea CEPA

India-EU FTA: The “Mother of All Deals”

2B

People

25%

Global GDP

€4B

Annual savings

- Concluded January 27, 2026 at 16th India-EU Summit (talks began 2007)
- EU eliminates tariffs on 99.5% of Indian goods
- India eliminates/reduces tariffs on 96.6% of EU exports by value
- EU autos: tariffs cut from 110% to 10% (quota 250,000 vehicles)
- Deep services commitments: India IT exports to Europe (~\$30B)
- Entry into force expected 2027-2028



Union Budget 2026-27: Customs Duty Rationalization

Key Customs Changes: One of the most ambitious customs overhauls

Tariff & Duty Measures

- Tariff simplification measures
- Exemption-based BCD rates incorporated into First Schedule (eff. May 1, 2026)
- Duty-free inputs for leather/synthetic footwear
- Personal goods BCD cut: 20% to 10% (eff. Apr 1, 2026)
- Duty-free baggage up 50% (to ₹75,000)
- Zero duty on 17 cancer drugs, 7 rare disease categories
- BCD exemptions: nuclear power, critical minerals, aircraft parts, lithium-ion equipment
- SEZ to DTA at concessional duty (one-time)

Facilitation & Digital

- Customs Integrated System (CIS): rollout in 2 years
- Single digital window for cargo clearance
- Advance Rulings: validity 3 → 5 years
- AEO Tier 2/3 duty deferral: 15 → 30 days



Trade Remedies – India's Growing Assertiveness

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Investigations
initiated (Sept 2025)

Trend

23 (2023) → 20 (2024) → 31 (2025)

Key Sectors

Chemicals, metals & engineering

Tools Available

Anti-dumping (AD), Countervailing Duties (CVD), Safeguard measures

Key Amendment (Finance Act 2023)

Appeals now against DGTR final findings (not just duty notifications)

Challenge

Balancing domestic protection with downstream user interests and WTO compliance

Quality Control Orders & Non-Tariff Barriers

Non-Tariff Measures

- BIS mandatory certification for diversified products
- QCOs used since 2020 to monitor imports
- Some QCOs revoked in 2025 due to supply chain disruptions
- FSSAI certification for food products
- Prior DGFT licensing for restricted items

BIS: Bureau of Indian Standards | FSSAI: Food Safety and Standards Authority of India



Practical Tip

- Foreign exporters must check BIS/FSSAI certification requirements BEFORE shipping to India.
- Non-compliance leads to:
 - Detention at port
 - Re-export or destruction
 - Significant cost overruns

Benefits of Opting for SEZ in India

Customs & Duty Benefits

- Duty-free import/domestic procurement of capital goods, raw materials, consumables, spares & packing materials
- No import license required for authorized operations
- SEZ treated as territory outside India's customs territory
- Zero-rated GST on supplies to SEZ units (IGST Act 2017)
- Budget 2026-27: One-time measure for SEZ manufacturing units to sell to DTA at concessional duty

Other Benefits

- 100% FDI under automatic route in manufacturing
- Single window clearance (Central & State approvals)
- Sub-contracting permitted within DTA/SEZ/EOU

368 notified SEZs in India (Feb 2026) | Exports from SEZs: ₹11.70 lakh crore in FY 2025-26 (32% YoY growth)



Practical Tips

1 Verify applicable FTA preferential rates & Rules of Origin compliance

2 Check BIS/FSSAI/QCO certification requirements for products

3 Leverage AEO programme for faster clearance and duty deferral

4 Monitor DGTR investigations in sector

5 Advance Ruling mechanism available (now valid for 5 years)

6 Customs valuation follows WTO Transaction Value method

7 No significant de minimis exemption in India

8 Consider SEZ/bonded warehouse structures for manufacturing



Key Contacts & Resources



CBIC

Central Board of Indirect Taxes & Customs

www.cbic.gov.in



DGFT

Directorate General of Foreign Trade

www.dgft.gov.in



DGTR

Directorate General of Trade Remedies

www.dgtr.gov.in



Indian Trade Portal

Trade information & tariff lookup

www.indiantradeportal.in



ICEGATE

Electronic filing for customs

www.icegate.gov.in

Foreign Trade Policy 2023 available on DGFT website



05 EU and UK: E-commerce Disruption

Jaap Huenges Wajer and Alexandra Lambert



EU: E-commerce Disruption

Jaap Huenges Wajer



EU – Short-term Customs Developments

E-commerce disruption from 1 July 2026

New cost & declaration burden

Removal of de minimis – Temporary EUR 3 duty on imports up to EUR 150

Low-value orders hit hardest

Distance sales focus – Targets B2C distance sales (IOSS, Special Arrangements, standard VAT flows)

Declaration changes – H7/H6/H1 remain; removal of C07 procedure code

Enforcement & Compliance Risk

Grouped consignments – Customs may “look through” bulk imports and treat them as separate distance sales

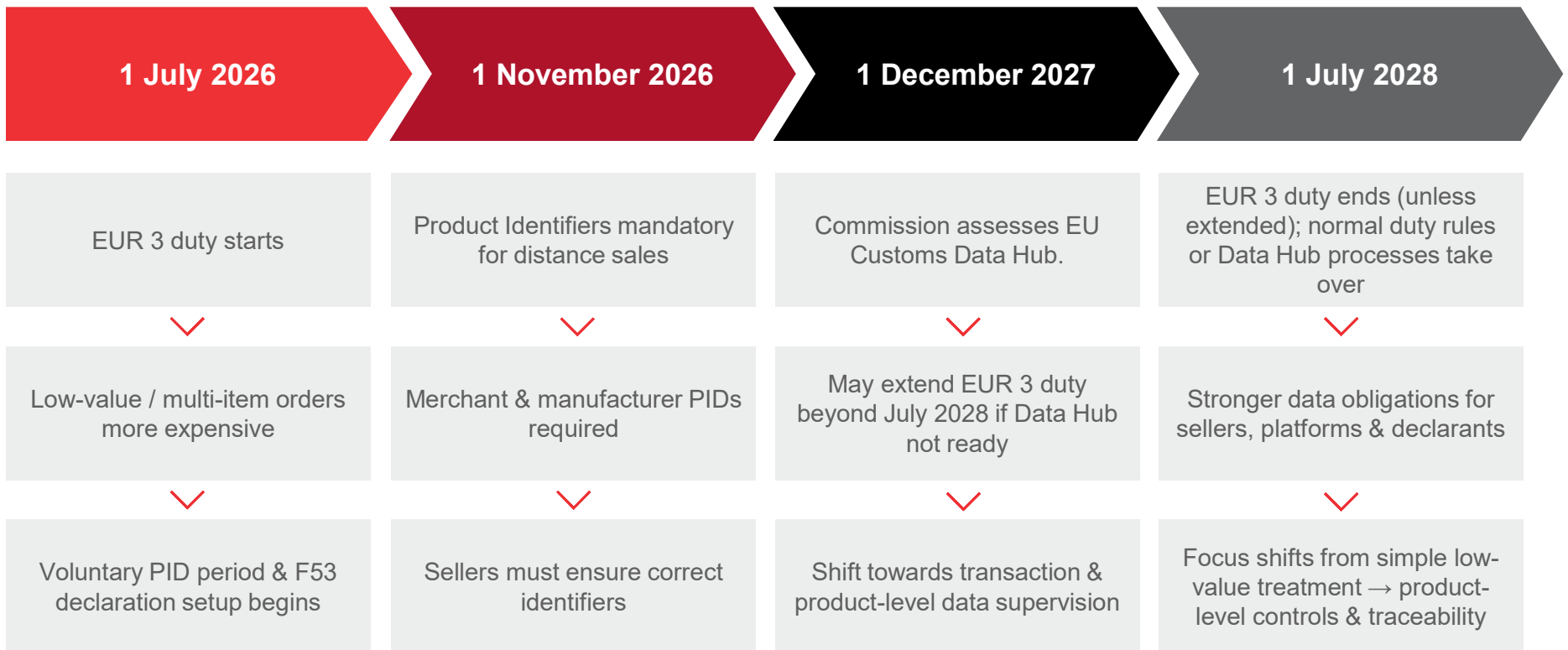
Anti-abuse indicators – Individual labels, repeated B2C filings and H1 “buyer” data trigger scrutiny.

Platform-led fulfilment risk – Art. 243 UCC IA may apply even to goods declared as bulk / non-distance-sale

Declarant responsibility – Hierarchy: IOSS holder → Special Arrangements user → indirect representative → consumer; liable for correct data and EUR 3 duty

EU – Long Term Customs Reform

The future state for e-commerce



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UK: E-commerce Disruption

Alexandra Lambert

Changes to the UK LVCR Regime

Current position



- Imports with declared value of **£135** or less are eligible for relief on import, with **no customs duty payable**.
- **B2C sales**: VAT accounted for by sellers or online marketplace operators.
- Customs duty and VAT relief for non-commercial consignments of £39 or less.

Proposed changes

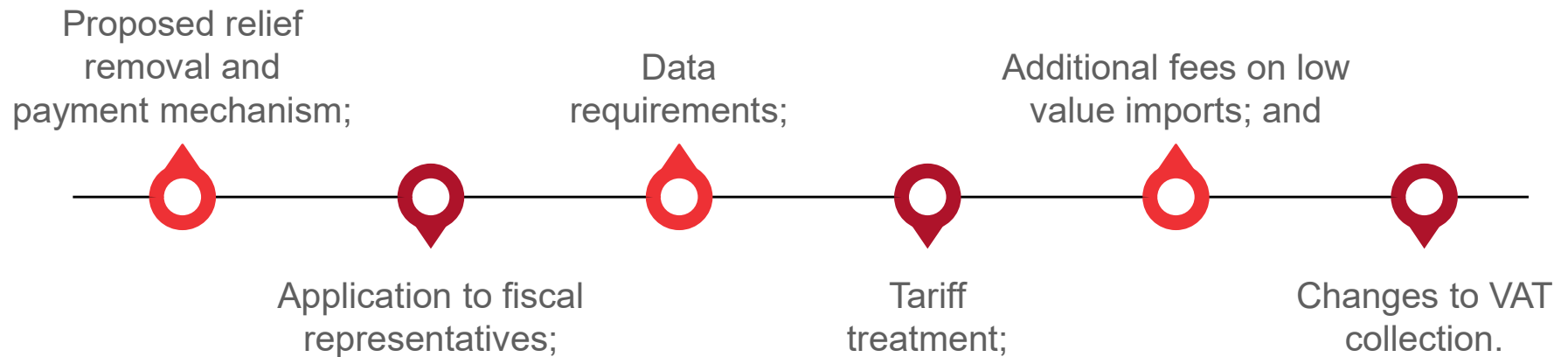


- Removal of the relief and low value imports to **become subject to tariffs**.
- Limited exceptions expected, inc. £39 non-commercial consignments.
- Expected to **take effect from March 2029** at the latest.
- Customs duty and VAT to be accounted for by sellers and online marketplace operators where they facilitate the sale.



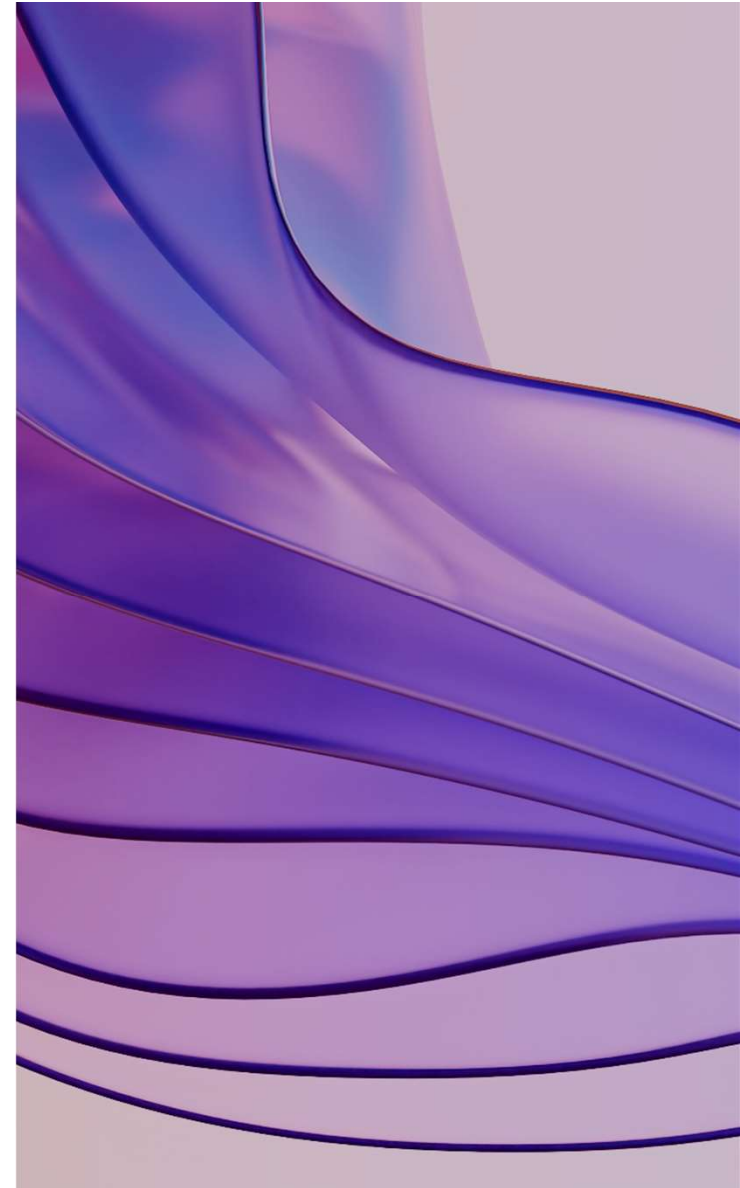
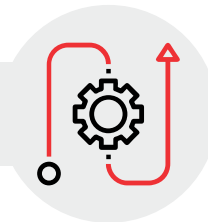
Consultation Process

Stakeholder consultation ran from 26 November 2026 – 6 March 2026 and covered:



Next Steps

- Government response to stakeholder consultation to be published.
- Final policy decisions and design of new regime will be released.
- Implementation timeline to be confirmed.
- Systems build and operational roll out.
- Businesses to update systems and prepare for implementation



Questions

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Next Session

Cyber trends and risk mitigation

4.30 – 5.30 pm BST | 5.30 – 6.30 pm CEST | 11.30 am – 12.30 pm EDT





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