

Trump Administration Implements Replacement Tariffs Covering Most U.S. Imports

July 24, 2026

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On July 23, 2026, the Trump Administration finalized tariffs at either 10% or 12.5% that will apply to 60 economies and effectively replace a global import surcharge at 10% that has expired. The new Section 301 tariffs cover most imports from locations representing nearly all imports into the United States. However, some goods are exempt from the announced tariffs, and certain jurisdictions are not covered at all by the tariffs. The tariffs announced by the Trump Administration go into effect on Friday, July 24, 2026, which is the same day the 10% global import surcharge expires.

Companies should review their imports to determine the impact on their supply chains, including whether any exemptions may apply. The decision will have an impact across all industries and on U.S. consumers.

Section 301 Tariffs

Only July 23, 2026, the Office of the U.S. Trade Representative (“USTR”) released its finalized tariffs on imports from more than 60 jurisdictions, including the European Union, under Section 301 of the Trade Act of 1974 (“Section 301”). The USTR issued these tariffs following an investigation that purports to address global enforcement of prohibitions relating to forced labor.

The investigations establish the following Section 301 tariff rates for all goods as follows, unless an exemption applies.

- 10% Section 301 tariffs on imported goods that originate from Argentina, Bangladesh, Cambodia, Canada, Ecuador, El Salvador, Guatemala, Honduras, India, Indonesia, Jordan, Malaysia, Mexico, Pakistan, Sri Lanka, the United Kingdom, and Trinidad and Tobago.
- 10% Section 301 tariffs for imported goods that originate from the European Union and Taiwan, net of the most favored nation (“MFN”) rate. The MFN rate varies according to individual tariff classifications under the Harmonized Tariff Schedule of the United States (“HTSUS”). Thus, the Section 301 tariff rate will ensure at least a

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10% tariff rate for goods from EU countries and Taiwan, and no Section 301 tariff will apply to goods with an MFN rate of 10% or more.

- 12.5% for imported goods that originate from Japan, South Korea, and Switzerland, net of the MFN rate. Thus, the Section 301 tariff rate will ensure at least a 12.5% tariff rate for goods of Japan, South Korea, and Switzerland, and no Section 301 tariff will apply to goods with an MFN rate of 12.5% or more.
- 12.5% for imported goods that originate from the remaining countries targeted by this Section 301 action, which is in addition to the MFN rate for the goods of those countries. This 12.5% tariff applies to goods that originate from Algeria, Angola, Australia, Bahamas, Bahrain, Brazil, Chile, China, Colombia, Costa Rica, Dominican Republic, Egypt, Guyana, Hong Kong (China), Iraq, Israel, Kazakhstan, Kuwait, Libya, Morocco, New Zealand, Nicaragua, Nigeria, Norway, Oman, Peru, the Philippines, Qatar, Russia, Saudi Arabia, Singapore, South Africa, Thailand, Türkiye, United Arab Emirates, Uruguay, Venezuela, and Vietnam.
- Tariff rate quotas (“TRQs”) for certain imports of textiles from Bangladesh, Cambodia, Indonesia and Malaysia. Under the TRQ, certain quantities of imports would be subject to a favorable rate. The USTR final investigation envisions further USTR action to administer the TRQ, including by providing clarifying requirements to companies about how to benefit from the TRQs.

U.S. importers will need to review these rates and the applicable exemptions to determine what tariff rate applies to particular imported items.

Exemptions from Tariffs

Although the Section 301 tariffs generally apply to all products from the targeted countries, there are extensive exemptions set forth in the annexes to USTR’s *Federal Register* notice of the Section 301 investigations. The annexes list exempted products by particular HTSUS items. In addition, some exemptions are specific to particular countries or jurisdictions. The USTR’s Federal Register notice contains annexes for exemptions for U.S. imports of certain products originating from Argentina, Bangladesh, Cambodia, Ecuador, El Salvador, the European Union, Guatemala, Indonesia, Jordan, Malaysia, Switzerland, Taiwan, and the United Kingdom.

Items already subject to duties under Section 232 of the Trade Expansion Act of 1962 (“Section 232”) are exempted from the Section 301 tariffs.

USTR received voluminous comments from more than 2,100 persons and companies addressing the scope of these exemptions. In the end, USTR claims to exempt some products because they could create domestic supply chain shortages, cause economy-wide disruptions, cannot be sourced from the United States, or because the tariffs would not advance the objectives of USTR’s Section 301 decision. The annexes identify certain pharmaceuticals, chemical and industrial inputs, agricultural commodities, certain seafood and forest products, and certain leather products as exempt from the Section 301 tariffs. Notably, after the notice and comment process, USTR added and removed certain exemptions.

Section 301 Tariffs in Context

The Section 301 tariffs replace the 10% global import surcharge imposed under Section 122 of the Trade Act of 1974 (“Section 122”), which expire on July 24, 2026. As we reported in June, USTR proposed the 10% and 12.5% Section 301 tariffs, with this proposal largely staying intact in the final decision. Companies should, however, carefully review the exempted items listed by their HTSUS classification to see if any changes in the final version impact their operations.

The Section 122 tariffs were imposed almost immediately after the U.S. Supreme Court’s February 2026 decision against President Trump’s global tariff actions under the International Emergency Economic Powers Act (“IEEPA”) (see our update). The USTR shortly thereafter commenced two Section 301 investigations on forced labor and excess industrial capacity of trading partners. The latest Section 301 tariff action taking effect on July 24, 2026, relates to the forced labor investigation. The excess industrial capacity investigation remains ongoing, and likely will result in additional tariffs.

Finally, the Section 301 investigations are not the final word on U.S. tariff rates. As we reported earlier this week, President Trump announced 50% tariffs on certain imports of Canadian-origin goods that are scheduled to take effect on August 19, 2026. Thus, the administration appears willing to use a combination of Sections 301, 232, 338, and perhaps other legal authorities to add to the Section 301 tariffs summarized above.