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Customs & Global Trade Alert

August 2025

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Update on the United States additional ad valorem import tariff modifications for Vietnamese goods

This Alert highlights significant changes to the United States (US) additional ad valorem import tariffs introduced under Executive Order 14326 issued by the President.

On 31 July 2025, the US President issued Executive Order 14326 modifying additional ad valorem import tariff rates to address the ongoing trade deficit and national security concerns specified in Executive Order 14257 dated 2 April 2025 (Executive Order 14257).

Key updates from Vietnam's perspectives

Tariff modification

- In early April 2025, Executive Order 14257 stipulated that Vietnam would be subject to a 46% additional ad valorem duty on exports to the US but under the Executive Order 14326, this rate has been reduced to 20% for Vietnamese goods according to Annex I to this order.
- This additional duty is in addition to any other applicable duties, fees, taxes, exactions, or charges imposed on goods imported into the US.

Effective date

- Applicable to goods entered for consumption or withdrawn from warehouse for consumption on or after 12:01 a.m. Eastern time (ET), 7 August 2025.
- Goods in transit remain subject to the 10% additional ad valorem duty, consistent with the 90-day pause period, provided they meet both of the following conditions:
 - Loaded onto the vessel and in final transit mode before 12:01 a.m. ET, 7 August 2025.
 - Entered for consumption or withdrawn from warehouse for consumption before 12:01 a.m. ET, 5 October 2025.

Transshipment provisions

If the US Customs and Border Protection identifies that goods were transshipped to evade applicable duties, the following penalties apply:

- An additional ad valorem duty of 40%, instead of 20% rate for Vietnam
- Any other applicable or appropriate fine or penalty
- All other US duties, fees, taxes, exactions, or charges applicable to goods of the country of origin

Implications for Vietnamese businesses

- The 20% additional ad valorem rate of duty still represents a significant cost for Vietnamese exporters, especially in textiles, electronics, and furniture. However, the reduction from 46% signals positive momentum in the US and Vietnam trade relations.
- Businesses exporting to the US are advised to review pricing structures and develop cost adjustment strategies to mitigate long-term risks.
- In addition, companies should conduct a thorough review of their production processes and ensure advance preparation of documentation to prove Vietnamese origin. This is critical to avoid being classified as engaging in transshipment to evade applicable duties, which may result in severe penalties.



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